



**42ND ANNUAL REPORT
OF
ARNOLD HOLDINGS LIMITED
2023-24**

CORPORATE INFORMATION

| BOARD OF DIRECTORS | | |
|--|---|---|
| Mr. Murari Mallawat | - | Whole Time Director |
| Mr. Rajpradeep Mahavirprasad Agrawal | - | Whole Time Director |
| Mr. Sushil Mahendrakumar Jhunjunwala | - | Non-Executive Independent Director |
| Mrs. Munni Devi Jain | - | Non-Executive Independent Director |
| Ms. Rupali Prakash Sawant (w.e.f. 10/07/2024) | - | Additional Non-Executive Independent Director |
| Mrs. Gazala Mohammed Irfan Kolsawala (w.e.f. 30/08/2024) | - | Additional Executive Director & CFO |

| COMPANY SECRETARY & COMPLIANCE OFFICER | AUDIT COMMITTEE | | |
|--|---|---|----------|
| CS Raji Jaikumar Panicker | Rupali Prakash Sawant | - | Chairman |
| | Sushil Mahendrakumar Jhunjunwala | - | Member |
| | Murari Mallawat | - | Member |
| STATUTORY AUDITORS | NOMINATION & REMUNERATION COMMITTEE | | |
| Amit Ray & Co. | Rupali Prakash Sawant | - | Chairman |
| Chartered Accountants | Sushil Mahendrakumar Jhunjunwala | - | Member |
| 401/403, D- Definity, Jai Prakash Nagar, Road No. 1, Goregaon (E), Mumbai-400063 Ph. No. 022-40146981 | Munni Devi Jain | - | Member |
| SECRETARIAL AUDITORS | STAKEHOLDER'S SHAREHOLDERS & INVESTOR GRIEVANCES COMMITTEE | | |
| Ranjit Binod Kejriwal Company Secretaries, Surat | Rupali Prakash Sawant | - | Chairman |
| | Sushil Mahendrakumar Jhunjunwala | - | Member |
| | Murari Mallawat | - | Member |
| REGISTER & TRANSFER AGENT | CORPORATE SOCIAL RESPONSIBILITY COMMITTEE | | |
| Niche Technologies Private Limited | Murari Mallawat | - | Chairman |
| Registrar to Issue & Share Transfer Agents 3A, Auckland Place, 7 th Floor, Room No.7A & 7B, Kolkata-700017, West Bengal Email Id: nichetechpl@nichetechpl.com , Website: www.nichetechpl.com Ph. No.: +91-033-22806616/17/18 Tele Fax: +91-033-22806619 | Rajpradeep Mahavirprasad Agrawal | - | Member |
| | Sushil Mahendrakumar Jhunjunwala | - | Member |
| REGISTERED OFFICE | BANKERS TO THE COMPANY | | |
| B 208, Ramji House, 30 Jambulwadi, JSS Road, Mumbai- 400002 Ph. No.: 022-22016640 Email: arnoldholding9@gmail.com Website: www.arnoldholdings.in CIN: L65993MH1981PLC282783 Scrip Code: 537069 ISIN: INE185K01036 | ICICI Bank Ltd | | |
| | HDFC Bank Ltd | | |
| | Yes Bank Ltd | | |
| | RBL BANK | | |
| | IDFC Bank | | |
| | Kotak Mahindra Bank | | |
| 42 ND ANNUAL GENERAL MEETING | BOOK CLOSURE | | |
| Date: Monday, 30 th September, 2024 Time: 10:00 A.M. Venue: Registered Office (As through VC/OAVM) | Date: 24 th September, 2024 to 30 th September, 2024 (Both Days Inclusive) | | |
| CONTENTS | | | PAGE NO. |
| Chairman Message | - | | 1 |
| Notice of the Meeting | - | | 2 |
| Directors Report | - | | 19 |
| Annexures to the report | - | | 27 |
| Auditor's Report | - | | 67 |
| Financial Statements | - | | 82 |

Chairman's Message:

Dear Stakeholders,

The Indian economy continues to demonstrate resilience against global headwinds, recording stronger-than-expected growth in 2023-24 with a positive outlook ahead. The Government's emphasis on capital expenditure is beginning to stimulate private investment, setting the stage for the next phase of growth.

It is my pleasure to present the Annual Report for the year ended March 31, 2024. I feel optimistic about the future of Arnold Holdings Ltd and I am confident that we will continue to innovate new ways to make credit easily accessible to those in need.

Our reported financial results were strong, with total income to reach ₹208.40 Cr., and net profit increased by 131.71% to ₹8.82 Cr. for FY 24. We expect this strong growth momentum to continue in coming years given our FY 2024 sales booking performance. We have a strong launch pipeline that will help us build upon the growth momentum achieved in FY24.

There has been a transformation in the banking and financial landscape in the last decade driven by technological innovations, changing consumer preferences and emergence of alternative business models. While these have fostered competition and collaboration, they also have implications for consumer trust and regulatory oversight. Such structural changes also create opportunities as well as challenges. Financial institutions like banks, NBFCs and others need to carefully assess the impact of these changes on their business models, resilience and sustainability.

Arnold continued to emphasize sustainable governance and growth across its operations. Our Environmental, Social, and Governance (ESG) framework reinforces ESG principles in all aspects of our business, focusing on responsible products, improving efficiency, empowering people, and promoting environmental consciousness.

We believe in creating value by taking constant efforts towards building capabilities and developing our competitive edge over peers with the help of bringing in diversity and transparency in doing business and would continue to do so in order to become a stronger entity than we were yesterday.

As always, employees remain Arnold's greatest strength. Their extraordinary commitment over the past year has been invaluable, and I extend my gratitude to them and their families. I also thank the Board for their ongoing guidance and express special appreciation to the RBI, bankers, and business partners for their continued support.

I extend my heartfelt thanks to our valued customers for their loyalty. I express my deepest gratitude to all of you for your continued trust and patronage as we strive to transform Arnold into one of the most relevant NBFCs in India.

In closing, I extend my gratitude to our shareholders, employees, and stakeholders for their unwavering support and trust. Together, we will continue to scale new heights, driven by innovation, customer focus, and a commitment to sustainable growth.

With my very best,

Sd/-
Munni Devi Jain
(Chairperson)

ARNOLD HOLDINGS LIMITED

CIN: L65993MH1981PLC282783

Regd Off: B208, Ramji House, 30 Jambulwadi, JSS Road, Mumbai-400002

Website: www.arnoldholdings.in, E mail: arnoldholding9@gmail.com, Ph.: 022-22016640



NOTICE OF 42nd ANNUAL GENERAL MEETING

Notice is hereby given of the 42nd Annual General Meeting of the members of **Arnold Holdings Limited** will be held on Monday, the 30th day of September, 2024 at 10.00 A.M. IST, through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the company for the financial year ended on 31st March, 2024, together with the Reports of the Board of Directors and Auditors’ thereon.

“**RESOLVED THAT** the Audited Balance Sheet, Profit and loss account and Cash Flow Statement for the year ended 31st March, 2024 along with the Auditors Report and Director’s Report, be and are hereby considered, adopted and approved.”

2. To appoint a Director in place of Mr. Murari Mallawat, Whole Time Director (DIN: 08809840), liable to retire by rotation in terms of section 152(6) of the Companies Act, 2013 and being eligible, seeks re-appointment.

“**RESOLVED THAT** in accordance with the provision of Section 152 (6) and all other applicable provisions, if any, of the Companies Act, 2013, Mr. Murari Mallawat, Whole Time Director (DIN: 08809840) who retires by rotation at this Annual General Meeting, be and is hereby reappointed as Director of the Company, liable to retire by rotation.”

SPECIAL BUSINESS:

3. Appointment of Ms. Rupali Prakash Sawant (DIN: 03129589) as an Independent Director.

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152, 161, Schedule IV and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Articles of Association of the Company, Ms. Rupali Prakash Sawant (DIN:03129589), who was appointed as an Additional Director (Independent) of the Company with effect from July 10, 2024 and is recommended by Nomination and Remuneration Committee and Board of Directors for appointment as an Independent Director, be and is hereby appointed as an Independent Director of the company who has submitted a declaration that she meets the criteria for the independence as provided in section 149(6) of the Companies Act, 2013 for a period of 5 years commencing from July 10, 2024 to July 09, 2029, and whose office shall not be liable to retire by rotation.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized for and on behalf of the Company to take all necessary steps and to do all such acts, deeds, matters and things which may deem necessary in this behalf.”

4. Appointment of Mrs. Gazala Mohammed Irfan Kolsawala (DIN: 07133943) as a Whole Time Director.

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution:

“**RESOLVED THAT** in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (Including any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to such consents and permissions, as may be required, the approval of the Members of the Company be and is hereby accorded for the proposed appointment of Mrs. Gazala Mohammed Irfan Kolsawala (DIN: 07133943), as the Whole Time Director of the Company, for a period of 5 (Five) years commencing from 30th September 2024 to 29th September 2029, liable to retire by rotation on such terms and conditions as set out in the Explanatory Statement annexed hereto, with liberty to the Board of Directors to vary, amend or revise the remuneration within the maximum ceiling specified under the Act and as may be Approved by the Board of Directors.

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as the Board which term shall be deemed to include any committee constituted / to be constituted by the Board) be and is hereby authorised 2

to vary, alter, enhance, or widen the scope of remuneration (including fixed salary, incentives & increments thereto and retirement benefits) payable to Mrs. Gazala Mohammed Irfan Kolsawala during her tenure to the extent permitted under Section 197 read with Schedule V of the Act and other applicable provisions, if any, of the Act, without being required to seek any further consent or approval of the member(s) of the Company or otherwise to the end intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT notwithstanding anything to the contrary contained herein above or in the terms and conditions of his appointment, where in any financial year, during the tenure of Mrs. Gazala Mohammed Irfan Kolsawala as Whole Time Director of the Company, the Company has no profits or its profits are inadequate, Mrs. Gazala Mohammed Irfan Kolsawala will be paid, then current remuneration (including fixed salary, incentives & increments thereto and retirement benefits) as minimum remuneration.

RESOLVED FURTHER THAT Mrs. Gazala Mohammed Irfan Kolsawala shall continue to work and designated as CFO of the company as envisaged under section 203 of the Companies Act, 2013 at a salary of Rs. 6,00,000 per annum and Other employment benefits and such other terms and conditions mentioned in the agreement and as modified by Board from time to time.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take such steps as may be necessary, to give effect to the above resolution including agreeing to such amendment(s) / modification(s) in the aforesaid clauses as may be required by any authority or as may be deemed fit by the Board.”

5. Re-appointment of Mrs. Munni Devi Jain (DIN: 08194500) as an Independent Director of the Company for a further period of 5 (five) Years.

To consider and if thought fit, to pass the following resolution as a special resolution:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 (“the Act”) read with schedule IV and the Rules made thereunder and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“the LODR Regulations”) [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force], and Articles of Association of the Company, the approval of the Members of the Company be and is hereby accorded for the proposed re- appointment of Mrs. Munni Devi Jain (DIN: 08194500), Independent Director of the Company who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 for a further period of 5 (Five) years commencing from July 30, 2025 up to July 29, 2030 and whose office shall not be liable to retire by rotation.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized for and on behalf of the Company to take all necessary steps and to do all such acts, deeds, matters and things which may deem necessary in this behalf.”

6. Re-appointment of Mr. Sushil Mahendrakumar Jhunjunwala (DIN: 08679362) as an Independent Director of the Company for a further period of 5 (five) Years.

To consider and if thought fit, to pass the following resolution as a special resolution:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 (“the Act”) read with Schedule IV the Rules made thereunder and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“the LODR Regulations”) [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force], and Articles of Association of the Company, the approval of the Members of the Company be and is hereby accorded for the proposed re- appointment of Mr. Sushil Mahendrakumar Jhunjunwala (DIN: 08679362), Independent Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 for a further period of 5 (Five) years commencing from February 13, 2025 up to February 12, 2030 and whose office shall not be liable to retire by rotation.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized for and on behalf of the Company to take all necessary steps and to do all such acts, deeds, matters and things which may deem necessary in this behalf.”

Place: Mumbai
Date: 03/09/2024

By order of the Board
For Arnold Holdings Limited

SD/-
Raji Jaikumar Panicker
Company Secretary & Compliance Officer

Notes:

1. A Statement pursuant to Section 102(1) of the Companies Act, 2013 ("the Act"), relating to the Special Business to be transacted at the Annual General Meeting ("Meeting") is annexed hereto.
2. As you are aware, in view of the situation arised due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
3. Pursuant to the General Circular Nos. 10/2022, 20/2020, 2/2022 and 09/2023 issued by the Ministry of Corporate Affairs ("MCA"), companies are allowed to hold AGM through VC/OAVM up to September 30, 2024, without the physical presence of Members at a common venue. Further, the Securities and Exchange Board of India ("SEBI") vide its circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 05, 2023 has granted relaxation in respect of sending physical copies of annual report to members. Hence, in compliance with the provisions of the Companies Act, 2013, Listing Regulations, MCA & SEBI Circulars, the 42ndAGM of the Company is being held through VC/OAVM. Accordingly, the facility for appointment of proxies will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
4. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
6. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
7. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM and Annual Report 2023-24 has been uploaded on the website of the Company at www.arnoldholdings.in. The Notice and Annual Report can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited www.bseindia.com . The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.
8. The Company has engaged the services of Central Depository Services (India) Limited ("CDSL"), as the authorized agency for conducting the AGM and providing remote e-Voting and e-Voting facility for/during the AGM of the Company. The instructions for participation by Members are given in the subsequent notes.
9. Since the AGM will be held through VC, the Route Map is not annexed to this Notice. The registered office of the Company shall be deemed to be the venue for the AGM.
10. Relevant documents referred to in the above Notice are open for inspection at the Registered Office of the Company during the business hours on any working day (Sunday and holidays) between 10.00 a.m. and 4.00 p.m. up to the date of the Annual General Meeting.
11. The Company is providing facility for voting by electronic means (e-voting) through an electronic voting system which will include remote e-voting and the business set out in the Notice will be transacted through such voting. Information and instructions including details of user id and password relating to e-voting are sent herewith in the e-voting communication. Once the vote on a resolution is cast by a member, whether partially or otherwise, the member shall not be allowed to change it subsequently or cast the vote again. Members who have cast their vote(s) by using remote e-voting may also attend the Meeting but shall not be entitled to cast their vote(s) again at the Meeting.
12. Members of the Company under the category of Institutional/Corporate Shareholders are encouraged to attend and vote at the AGM through VC. Corporate Members intending to authorize their representatives to participate and vote

are requested to send a certified copy of the Board resolution / authorization letter to the Scrutinizer by e-mail at cs@rkejriwal.com and the same should also be uploaded on the VC portal / e-Voting portal of CDSL.

13. Pursuant to Regulation 46 of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018, the securities of a Recognized Stock Exchange are required to be maintained in Demat mode. Further, in terms of Listing Regulations, securities of listed companies can only be transferred in Demat mode w.e.f. April 1, 2019. In view of the above, Members are advised to dematerialize their shares held in physical mode.
14. The Register of Members and the Share Transfer Books of the Company will remain closed from 24th September, 2024 to 30th September, 2024 (both days inclusive).
15. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are deemed to be interested, maintained under Section 189 of the Act, will be available for inspection by the members during the AGM. All documents referred to in the Notice will also be available for inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to arnoldholding9@gmail.com.
16. The Shareholders are requested to direct change of address notifications and updates details to their respective Depository Participant(s).
17. Equity shares of the Company are under compulsory demat trading by all Investors.
18. Members who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication from the company electronically and quicker response to their queries to RTA or Company.
19. Members seeking any information/document as referred in the notice are requested to write to the Company on or before 23rd September, 2024 through email at arnoldholding9@gmail.com. The same will be addressed by the Company suitably.
20. Members are requested to contact our Registrar and Transfer Agent for any query related to shares and other inquiry at the following address:

Niche Technologies Private Limited

Registrar to Issue & Share Transfer Agents

3A, Auckland Place, 7th Floor, Room No.7A & 7B,

Kolkata-700017, West Bengal

Email Id: nichetechpl@nichetechpl.com,

Website: www.nichetechpl.com

Ph. No.: +91-033-22806616/17/18

21. Additional information, pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of the directors seeking appointment/re-appointment at the AGM, is furnished as annexure to the Notice. The directors have furnished consent/declaration for their appointment/ re-appointment as required under the Companies Act, 2013 and the Rules thereunder.
22. The voting rights of Shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on 23rd September, 2024.
23. **Information and other instructions relating to e-voting are as under:**
 - i. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
 - ii. The members attending the Meeting who have not cast their vote by remote e-voting shall be able to vote at the Meeting through E-voting.

- iii. The members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.
- iv. Shri Ranjit Binod Kejriwal, Practicing Company Secretary has been appointed to act as the Scrutinizer for conducting the remote e-voting process as well as during the AGM through the e-voting, in a fair and transparent manner.
- v. Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member as on the cut-off date i.e. September 23, 2024.
- vi. A person, whose name is recorded in the register of members as on the cut-off date, i.e. September 23, 2024 only shall be entitled to avail the facility of remote e-voting / as well as voting through the polling process at the AGM. Any recipient of the Notice, who has no voting rights as on the Cut-off date, shall treat this Notice as intimation only.
- vii. A person who has acquired the shares and has become a member of the Company after the dispatch of the Notice of the AGM and prior to the Cut-off date i.e. September 23, 2024, shall be entitled to exercise his/her vote either electronically.
- viii. The Remote e-voting period will commence on Friday, 27th September, 2024 at 9.00 a.m. and will end on Sunday, 29th September, 2024 at 5.00 p.m. During this period, the members of the Company holding shares either in physical form or in demat form as on the Cut-off date i.e. September 23, 2024, may cast their vote electronically. The members will not be able to cast their vote electronically beyond the date and time mentioned above and the remote e-voting module shall be automatically disabled for voting thereafter.
- ix. Once the vote on a resolution is cast by the member, he/she shall not be allowed to change it subsequently or cast the vote again.
- x. The Scrutinizer, after scrutinizing the votes cast at the meeting and through remote e-voting, will, not later than two working days of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company. The results shall be communicated to the Stock Exchange.
- xi. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. September 30, 2024.
- xii. **Instructions to Members for e-voting are as under:**

Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding Shares in demat mode.

Step 2: Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-Individual shareholders in demat mode.

- a. The voting period begins on Friday, 27th September, 2024 at (9:00 AM IST) and ends on Sunday, 29th September 2024 (5:00 PM IST). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date September 23, 2024 of may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- b. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting.
- c. Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed Entities in India. This necessitates registration on various ESPs and maintenance of multiple User IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ 6

websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

- (i) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

| Type of shareholders | Login Method |
|--|---|
| Individual Shareholders holding securities in Demat mode with CDSL Depository | <ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at cdsi website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from an e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers. |
| Individual Shareholders holding securities in demat mode with NSDL Depository | <ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |

| | |
|--|---|
| | <p>2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp.</p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> |
| Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP) | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL.

| Login type | Helpdesk details |
|---|--|
| Individual Shareholders holding securities in Demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33 |
| Individual Shareholders holding securities in Demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at : 022 - 4886 7000 and 022 - 2499 7000 |

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and Non-individual shareholders in demat mode.

(ii) Login method for e-Voting and joining virtual meeting for **physical shareholders and other than individual shareholders holding in Demat form.**

1. The shareholders should log on to the e-voting website www.evotingindia.com.
2. Click on "Shareholders" module.
3. Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
4. Next enter the Image Verification as displayed and Click on Login.
5. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
6. If you are a first-time user follow the steps given below:

| | For Shareholders holding shares in Demat Form other than individual and Physical Form |
|---|---|
| PAN | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA. |
| Dividend Bank Details OR Date of Birth (DOB) | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v). |

- (iii) After entering these details appropriately, click on “SUBMIT” tab.
- (iv) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (v) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (vi) Click on the EVSN **240830067** for ARNOLD HOLDINGS LIMITED.
- (vii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (viii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (ix) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (x) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xi) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xiii) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (xiv) **Additional Facility for Non – Individual Shareholders and Custodians –Remote Voting:**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; arnoldholding9@gmail.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM/EGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM/ EGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 2 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at hmpl.india@gmail.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 2 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM/EGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For Demat shareholders- please update your email id & mobile no. with your respective Depository Participant (DP).
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call toll free no. 1800 22 55 33.

Please note the following:

A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.

A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as e-voting at the AGM.

The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer through e-voting for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than two working days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

Other information:

- Your login id and password can be used by you exclusively for e-voting on the resolutions placed by the companies in which you are the shareholder.
- It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.

Place: Mumbai
Date: 03/09/2024

By order of the Board
For Arnold Holdings Limited

SD/-
Raji Jaikumar Panicker
Company Secretary & Compliance Officer

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND OTHER APPLICABLE PROVISIONS

Item No. 3

The Board of Directors of the Company recommended for the approval of the members, the appointment of Ms. Rupali Prakash Sawant as an Independent Director of the Company, in terms of Section 149 read with Schedule IV of the Companies Act, 2013.

As per the provisions of Companies Act, 2013, Independent Directors shall be appointed for not more than two terms of five years each and the Independent Directors shall not be liable to retire by rotation at every Annual General Meeting.

In accordance with the provisions of Section 149 read with Schedule IV to the Act, appointment of an Independent Director requires approval of members. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors has appointed Ms. Rupali Prakash Sawant as an Additional Independent Director in the meeting of Board of Directors held on 10th July, 2024.

On the recommendation of Nomination and Remuneration Committee of the Board of Directors of the Company, The Board of Directors has recommended her as a Non-Executive Independent Director for the term of five years starting from 10th July, 2024 subject to the member's approval in ensuing general meeting and she is not liable to retire by rotation.

Ms. Rupali Prakash Sawant is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director.

The Company has received from Ms. Rupali Prakash Sawant:

(i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014,

(ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that she is not disqualified for being appointed as Directors under sub-section (2) of Section 164 of the Companies Act, 2013, and

(iii) a declaration to the effect that she meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

In the opinion of the Board, Ms. Rupali Prakash Sawant fulfils the conditions for her appointment as an Independent Director as specified in the Act and the Listing Regulations.

Ms. Rupali Prakash Sawant is independent of the management and possesses appropriate skills, experience and knowledge. Copy of draft letter of appointment of Ms. Rupali Prakash Sawant setting out the terms and conditions of appointment is available for inspection by the members at the registered office of the Company.

The Board of Directors recommends the Special Resolution set forth at Item No. 3 of the Notice for approval of the Members.

None of the Directors, Key Managerial Personnel of the Company or their relatives are in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 3.

Item No. 4

The Board of the Company had appointed Mrs. Gazala Mohammed Irfan Kolsawala as the Additional Executive Director of the Company w.e.f. 30th August, 2024. She is currently working as the CFO of the company and will continue to do so after her appointment as a Whole Time Director as well. In terms of Section 161(1) of the Companies Act, 2013, Mrs. Gazala Mohammed Irfan Kolsawala can hold office only up to the date of the ensuing General Meeting.

The Board has, based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Members, recommends to appoint Mrs. Gazala Mohammed Irfan Kolsawala as the Whole Time Director, for a period of five years w.e.f. 30th September, 2024 to 29th September, 2029.

Mrs. Gazala Mohammed Irfan Kolsawala is not disqualified from being appointed as a Director in terms of Section 164

of the Act and has given her consent to act as Whole-time Director of the Company. Mrs. Gazala Mohammed Irfan Kolsawala satisfies all the conditions as set out in Section 196(3) of the Act and Part-I of Schedule V to the Act, for being eligible for his appointment.

The broad terms and conditions of the proposed appointment of and remuneration payable to Mrs. Gazala Mohammed Irfan Kolsawala are annexed herewith.

The performance of the Company have improved in the recent past and is expected to improve further in the coming years. However, in view of adverse conditions, it may incur losses due to uncontrollable reasons, resulting in inadequate profits in some years to pay managerial remuneration. In such an event, Mrs. Gazala Mohammed Irfan Kolsawala may be entitled to minimum remuneration. Accordingly, the statement as required under Section II, Part II of the Schedule V to the Act with reference to Special Resolution at Item No.4 is annexed hereto as **Annexure-A**.

The Board of Directors recommends the Special Resolution set forth at Item No. 4 of the Notice for approval of the Members.

None of the Directors, Key Managerial Personnel of the Company or their relatives are in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4.

Item No. 5

As per Section 149(10) of the Companies Act, 2013 (Companies Act, 2013), an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re- appointment on passing a special resolution by the Company for further term of upto five consecutive years on the Board of a Company.

In line with the aforesaid provisions of the Companies Act, 2013 and in view of long, rich experience, continued valuable guidance to the management and strong Board performance of Mrs. Munni Devi Jain, it is proposed to re-appoint her for the second term as an independent director on the Board of the company for a period of five years w.e.f. 30th July, 2025 to 29th July, 2030 and in the opinion of the Board, Mrs. Munni Devi Jain fulfills the conditions specified in the Act.

The Board considers that their continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mrs. Munni Devi Jain as an Independent Director. Accordingly, the Board recommends passing of the Resolution at Item No. 5 of the Notice as a Special Resolution.

None of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives are in any way concerned or interested, financial or otherwise, in the resolution set out at Item No. 5.

Item No. 6

As per Section 149(10) of the Companies Act, 2013 (Companies Act, 2013), an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re- appointment on passing a special resolution by the Company for further term of upto five consecutive years on the Board of a Company.

In line with the aforesaid provisions of the Companies Act, 2013 and in view of long, rich experience, continued valuable guidance to the management and strong Board performance of Mr. Sushil Mahendrakumar Jhunjhunwala, it is proposed to re-appoint him for the second term as an independent director on the Board of the company for a period of five years w.e.f. 13th February, 2025 to 12th February, 2030 and in the opinion of the Board, Mr. Sushil Mahendrakumar Jhunjhunwala fulfills the conditions specified in the Act.

The Board considers that their continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Sushil Mahendrakumar Jhunjhunwala as an Independent Director. Accordingly, the Board recommends passing of the Resolution at Item No. 6 of the Notice as a Special Resolution.

None of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives are in any way concerned or interested, financial or otherwise, in the resolution set out at Item No. 6.

Place: Mumbai
Date: 03/09/2024

By order of the Board
For Arnold Holdings Limited

SD/-
Raji Jaikumar Panicker
Company Secretary & Compliance Officer

ANNEXURE TO NOTICE

DETAILS OF DIRECTOR SEEKING APPOINTMENT/ RE-APPOINTMENT AT THE ENSUING ANNUAL GENERAL MEETING

(Pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015) and Secretarial Standard 2 issued by the Institute of Company Secretaries of India

| Particulars | Mr. Murari Mallawat | Ms. Rupali Prakash Sawant | Mrs. Gazala Mohammed Irfan Kolsawala | Mrs. Munni Devi Jain | Mr. Sushil Mahendrakumar Jhunjhunwala |
|--|--|--|---|---|--|
| DIN No. | 08809840 | 03129589 | 07133943 | 08194500 | 08679362 |
| Date of Birth | 18/06/1991 | 03/06/1987 | 29/05/1967 | 04/01/1963 | 07/03/1979 |
| Qualification | Bachelors in Commerce from Mumbai University | Company Secretary | Chartered Accountant | Bachelors in Commerce from Mumbai University | B. Com. |
| Expertise in specific functional areas | He is Graduated from MDS University, Rajasthan. He is passed CA Inter and Final 1 Group also. He has wide knowledge of Direct and Indirect Taxation and experience of 8 years in this field. | Ms. Rupali Prakash Sawant, aged about 37 years, she is a Graduate from Mumbai University. Ms. Rupali Prakash Sawant, Company Secretaries is an integrated service firm focused on corporate laws, registered as a practicing company secretaries firm with the Institute of Company Secretaries of India (ICSI). She has very vast experience in listed companies compliances and having 16 years of experience in this field. | Mrs. Gazala Mohammed Irfan Kolsawala who is basically a Chartered Accountant having 24 years of experience in finance, taxation, preparing budgets, compliance, audits. She has a diploma in IFRS from Ernst & Young. She is also CFO of the Company. | She has 17 years of experience in the field of equity trading business and instrumental in developing many client base. She is a registered Authorised Person (AP) in National Stock Exchange of India Ltd (NSE) and Remiser with BSE Ltd through Allwin Securities Ltd since last 13 years and have wide knowledge and potential to tap the equity stock market. | He has a wide knowledge of Securities Market, Finance and Taxation for more than 14 years. |
| Terms and Conditions of Appointment/Reappointment | As per the resolutions at Item No. 2 of the Notice. | As per the resolutions at Item No. 3 of the Notice. | As per the resolutions at Item No. 4 of the Notice. | As per the resolutions at Item No. 5 of the Notice. | As per the resolutions at Item No. 6 of the Notice. |
| Remuneration last drawn | 50,000 P.A. | NIL | Mrs. Gazala Mohammed Irfan Kolsawala is also the CFO of the company and the Board of directors had approved salary of Rs. 6, 00,000/- per annum. | NIL | NIL |

| | | | | | |
|---|----------------------------------|----------------------------------|--|----------------------------------|----------------------------------|
| Remuneration proposed | 10,00,000 P.A. | NIL | Mrs. Gazala Mohammed Irfan Kolsawala is also the CFO of the company and the Board of directors had approved salary of Rs. 6, 00,000/- per annum and other employment benefits. | NIL | NIL |
| No. of Shares Held | 0 | 0 | 0 | 600 | 0 |
| Date of First Appointment | 22/08/2020 | 10/07/2024 | Mrs. Gazala Mohammed Irfan Kolsawala was appointed as a CFO w.e.f. February 13, 2024 and was appointed as Additional Director w.e.f. August 30, 2024. | 30/07/2020 | 13/02/2020 |
| Relationship with Directors/Key managerial Personnel | No relation with other Directors | No relation with other Directors | No relation with other Directors | No relation with other Directors | No relation with other Directors |
| List of other Companies in which directorship is held as on 31.03.2024 | NIL | 1 | NIL | NIL | NIL |
| Chairman / Member of the Committee of other Company | NIL | NIL | NIL | NIL | NIL |
| No. of Meetings of the Board Attended during the year | 7 | NIL | NIL | 7 | 7 |

1. List of Companies in which Mr. Murari Mallawat holds directorship as on 31st March, 2024:

| S. No. | Name of the Company | Nature of Interest | Shareholding | Date on which interest arose/changed |
|--------|-------------------------|---------------------|--------------|--------------------------------------|
| 1. | Arnold Holdings Limited | Whole Time Director | NIL | 22/08/2020 |

2. List of Companies in which Ms. Rupali Prakash Sawant holds directorship as on 31st March, 2024:

| S. No. | Name of the Company | Nature of Interest | Shareholding | Date on which interest arose/changed |
|--------|----------------------|--------------------|--------------|--------------------------------------|
| 1. | RNJ & ASSOCIATES LLP | Designated Partner | 50% | 21/12/2022 |

3. List of Companies in which Mr. Munni Devi Jain holds directorship as on 31st March, 2024:

| S. No. | Name of the Company | Nature of Interest | Shareholding | Date on which interest arose/changed |
|--------|-------------------------|--------------------|--------------|--------------------------------------|
| 1. | Arnold Holdings Limited | Director | 600 | 30/07/2020 |

4. List of Companies in which Mr. Sushil Mahendrakumar Jhunjunwala holds directorship as on 31st March, 2024:

| S. No. | Name of the Company | Nature of Interest | Shareholding | Date on which interest arose/changed |
|--------|-------------------------|--------------------|--------------|--------------------------------------|
| 1. | Arnold Holdings Limited | Director | NIL | 13/02/2020 |

The Board of Directors recommends the proposed resolutions for acceptance by member.

Place: Mumbai
Date: 03/09/2024

By order of the Board
For Arnold Holdings Limited

SD/-
Raji Jaikumar Panicker
Company Secretary & Compliance Officer

Annexure – A'

Statement as required under Section II, Part II of the Schedule V to the Companies Act, 2013 with reference to the Special Resolution at Item No. 4 of the Notice

| I | General Information | | | | | | | | | | | | | | | | | | | |
|---|---|---|-------------|------------------------|-----------------|---------|---|---------|--------------|----------|----------------|----------|-------------------|---------|------------------|-----|--------------|--------|------------------|--------|
| 1. | Nature of Industry | Company is engaged in the business of providing Loans (Non-Banking Financial Company) | | | | | | | | | | | | | | | | | | |
| 2. | Date of Commencement of Commercial Production | Commercial operations commenced in the year 1981 | | | | | | | | | | | | | | | | | | |
| 3. | In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus | Not Applicable | | | | | | | | | | | | | | | | | | |
| 4. | Financial Performance based on given indicators | As per Standalone Audited Financials In Lakh <table border="1"> <thead> <tr> <th>Particulars</th> <th>Financial Year 2023-24</th> </tr> </thead> <tbody> <tr> <td>Paid up Capital</td> <td>2377.50</td> </tr> <tr> <td>Reserves excluding Revaluation Reserves</td> <td>3115.74</td> </tr> <tr> <td>Total Income</td> <td>20840.79</td> </tr> <tr> <td>Total Expenses</td> <td>19566.54</td> </tr> <tr> <td>Profit before Tax</td> <td>1274.25</td> </tr> <tr> <td>Exceptional Item</td> <td>Nil</td> </tr> <tr> <td>Tax Expenses</td> <td>391.89</td> </tr> <tr> <td>Profit after Tax</td> <td>882.36</td> </tr> </tbody> </table> | Particulars | Financial Year 2023-24 | Paid up Capital | 2377.50 | Reserves excluding Revaluation Reserves | 3115.74 | Total Income | 20840.79 | Total Expenses | 19566.54 | Profit before Tax | 1274.25 | Exceptional Item | Nil | Tax Expenses | 391.89 | Profit after Tax | 882.36 |
| Particulars | Financial Year 2023-24 | | | | | | | | | | | | | | | | | | | |
| Paid up Capital | 2377.50 | | | | | | | | | | | | | | | | | | | |
| Reserves excluding Revaluation Reserves | 3115.74 | | | | | | | | | | | | | | | | | | | |
| Total Income | 20840.79 | | | | | | | | | | | | | | | | | | | |
| Total Expenses | 19566.54 | | | | | | | | | | | | | | | | | | | |
| Profit before Tax | 1274.25 | | | | | | | | | | | | | | | | | | | |
| Exceptional Item | Nil | | | | | | | | | | | | | | | | | | | |
| Tax Expenses | 391.89 | | | | | | | | | | | | | | | | | | | |
| Profit after Tax | 882.36 | | | | | | | | | | | | | | | | | | | |
| 5. | Foreign investments or collaborators, if any | The Company has not entered into any foreign collaboration and no direct capital investment has been made in the Company. Foreign investors, mainly comprising NRIs are investors in the Company on account of past issuance of securities / purchase of shares of the Company from the secondary market. | | | | | | | | | | | | | | | | | | |
| II | Information about the Director | Mrs Gazala Mohammed Irfan Kolsawala | | | | | | | | | | | | | | | | | | |
| 1. | Background details | As Per Annexure above | | | | | | | | | | | | | | | | | | |
| 2. | Past remuneration | As Per Annexure above | | | | | | | | | | | | | | | | | | |
| 3. | Recognition or awards | NIL | | | | | | | | | | | | | | | | | | |
| 4. | Job profile and his suitability | As Per Annexure above | | | | | | | | | | | | | | | | | | |
| 5. | Remuneration proposed | As Per Annexure above | | | | | | | | | | | | | | | | | | |
| 6. | Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person | Keeping in view the profile and the position, the remuneration is fully justifiable and comparable to that prevailing in the industry. | | | | | | | | | | | | | | | | | | |
| 7. | Pecuniary relationship, directly or indirectly, with the Company or relationship with the managerial personnel, if any | None | | | | | | | | | | | | | | | | | | |
| III | Other Information | | | | | | | | | | | | | | | | | | | |
| 1. | Reasons of loss or inadequate profits | The company is engaged in the business of providing loans, the recovery of loans has made a possible challenge for the company. In future if the company is impotent to recover its loan, it may have to incur losses due to uncontrollable reasons, resulting in inadequate profits in some years to pay managerial remuneration. | | | | | | | | | | | | | | | | | | |
| 2. | Steps taken or proposed to be taken for improvement | The Company takes various steps on a regular basis such as cost control, improving efficiency, etc. | | | | | | | | | | | | | | | | | | |
| 3. | Expected increase in productivity and profits in measurable terms | The Company is conscious about improvement in productivity and continually undertakes measures to improve its productivity and | | | | | | | | | | | | | | | | | | |

| | | |
|----|--|---|
| | | profitability. The Management is confident of achieving sustained revenue growth in the future. |
| IV | Disclosures | |
| | The prescribed disclosures with respect to elements of remuneration package, details of fixed component and performance linked incentives, performance criteria, service contracts, notice period, severance fees and stock options details of all the Directors, as applicable, is mentioned in the Corporate Governance section of the Annual Report of the Company. | |

Place: Mumbai
Date: 03/09/2024

By order of the Board
For Arnold Holdings Limited

SD/-
Raji Jaikumar Panicker
Company Secretary & Compliance Officer

ARNOLD HOLDINGS LIMITED

CIN: L65993MH1981PLC282783

Regd. Off: B 208, Ramji House, 30 Jambulwadi, JSS Road, Mumbai-400002

Website: www.arnoldholdings.in, E mail: arnoldholding9@gmail.com, Ph.: 022-22016640



DIRECTOR'S REPORT

To,
The Members
Arnold Holdings Limited

Your Directors take pleasure in submitting the 42nd Annual Report of the Business and operations of your Company and the Audited Financial Statements for the financial year ended 31st March, 2024.

1. FINANCIAL RESULTS & PERFORMANCE

| Particulars | (Rs. in Lakhs) | |
|---|-----------------------------------|-----------------------------------|
| | For the year ended 31-03-2024* | For the year ended 31-03-2023* |
| Revenue from operations | 20820.19 | 16296.51 |
| Other Income | 20.59 | 164.82 |
| Total Revenue | 20840.79 | 16461.33 |
| Profit before tax and Exceptional Items | 1274.25 | 502.30 |
| Exceptional Items | 0.00 | 0.00 |
| Profit before Taxation | 1274.25 | 502.30 |
| -Current Tax | 370.16 | 126.00 |
| -Deferred Tax | 21.73 | -4.51 |
| -Income tax of earlier years | 0.00 | 0.00 |
| Net Profit/ (Loss) For The Year | 882.36 | 380.81 |

* Figures regrouped wherever necessary.

The Company discloses financial results on quarterly yearly basis of which results are subjected to limited review and publishes audited financial results on an annual basis. The Financial Statements as stated above are also available on the Company's website www.arnoldholdings.in.

2. STATE OF COMPANY'S AFFAIR

During the year, Your Company recorded total revenue of Rs. 20840.79 Lakhs compared to total revenue of Rs. 16461.33 Lakhs in financial year 2022-23 and Profit before Tax for the year 2023-24 stood at Rs.1274.24 Lakhs as compared to Profit before tax of Rs.502.30 Lakhs in financial year 2022-23. Profit after Tax for the current year stood at Rs. 882.36 Lakhs as compared to Profit after Tax of Rs. 380.81 Lakhs in the previous year. A detailed analysis on the Company's performance is included in the "Management's Discussion and Analysis" Report, which forms part of this Report.

3. ROAD AHEAD

Our vision is to expand the existing base and widen scope of work. Our priorities are as follows:

- Leveraging Digital tools and data intelligence to drive scale, stable asset quality, cost effectiveness and customer experience.
- Drive a multi-year transformation agenda which shall enable us to scale profitability.

4. DIVIDEND

Keeping in mind the overall performance and outlook for your Company, your Board of Directors recommend that this time the company is not declaring dividends as the company require funds for its business expansion. Your Directors are unable to recommend any dividend for the year ended 31st March, 2024.

5. UNCLAIMED DIVIDEND

There is no balance lying in unpaid equity dividend account.

6. TRANSFER TO RESERVE

Company has not transferred any amount from profit to General Reserve.

7. SHARE CAPITAL

The Authorized Share Capital of the Company as on 31st March, 2024 was Rs. 50, 00, 00,000 and paid up share capital of the Company as on the same date was Rs. 23, 77, 50,000.

During the year, the Company has buy-back of upto 63,00,000 (Sixty three lakhs) Equity Shares of the company at Rs. 21/-(Rupees Twenty One only) per equity shares for an aggregate amount not exceeding Rs. 13,23,00,000 (Rupees Thirteen Crores Twenty Three Lakhs Only). Apart from this the Company has not issued any shares including shares with different rights, sweat equity shares or employee stock options.

8. RBI GUIDELINES

Your Company is registered as a Non-Deposit taking Non- Systemically Important Non-Banking Finance Company with RBI. Accordingly, during the year, the Company has not accepted any deposits from the public and therefore, there is no deposits which become due for repayment or renewal. The Company has complied with the 'Master Direction – Reserve Bank of India (Non-Banking Financial Company–Scale Based Regulation) Directions, 2023', amended from time to time and all other applicable Directions/regulations/ circulars of RBI during the Financial Year 2023-24.

9. CHANGE IN NATURE OF BUSINESS, IF ANY

During the Financial Year, there has been no change in the business of the company or in the nature of Business carried by the company during the financial year under review.

10. PUBLIC DEPOSITS

During the year, Company has not accepted any deposits from public within the meaning of the Section 73 of the Companies Act, 2013, read with Companies (Acceptance of Deposits) Rules, 2014.

11. SUBSIDIARIES, JOINT VENTURE AND ASSOCIATE COMPANIES

The Company does not have any Subsidiary, Holding, Joint Venture or Associate Company.

12. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

There was no significant material order passed by the regulators or courts or tribunals impacting the going concern status and company's operation in nature.

13. DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with Section 152(6) of the Companies Act, 2013 read with the Articles of Association of the Company, Mr. Murari Mallawat (DIN: 08809840), Whole Time Director, retire by rotation and is being eligible has offered himself for re-appointment at the ensuing Annual General Meeting. Company's policy on directors' appointment and remuneration is available on the website of the company at <https://www.arnoldholdings.in/policies.html>.

Based on the confirmations received from Directors, none of the Directors are disqualified from appointment under Section 164 of the Companies Act, 2013.

The following are the List of Directors and KMP of the Company during the year:

| Name of Directors | Category & Designation | Appointment Date | Change in Designation | Resignation Date |
|---------------------------------------|------------------------------------|------------------|-----------------------|------------------|
| Mr. Santkumar Goyal | Whole Time Director | 30.07.2020 | 28.09.2020 | 30-05-2024 |
| Mr. Murari Mallawat | Whole Time Director | 22.08.2020 | 28.09.2020 | - |
| Mr. Rajpradeep Mahavirprasad Agrawal | Whole Time Director | 24.04.2021 | 25.09.2021 | - |
| Mr. Sopan Vishwanathrao Kshirsagar | Non-Executive Independent Director | 07.02.2013 | 28.09.2013 | 10-07-2024 |
| Mr. Sushil Mahendrakumar Jhunjhunwala | Non-Executive Independent Director | 13.02.2020 | 28.09.2020 | - |
| Mrs. Munni Devi Jain | Non-Executive Independent Director | 30.07.2020 | 28.09.2020 | - |
| Mr. Dharmendra Ramnihor Yadav | CFO | 30.05.2019 | - | 06-02-2024 |
| Mrs. Raji Jaikumar Panicker | Company Secretary | 10.11.2022 | - | - |

| | | | | | |
|--------------------------------------|-------------------------------|-------------|------------|---|---|
| Mrs. Gazala Mohammed Irfan Kolsawala | CFO | | 13-02-2024 | - | - |
| Mrs. Gazala Mohammed Irfan Kolsawala | Additional Executive Director | | 30-08-2024 | - | - |
| Ms. Rupali Prakash Sawant | Additional Director | Independent | 10-07-2024 | - | - |

14. ANNUAL RETURN

As per amended section 92(3) of Companies Act, 2013 attachment of extract of annual return to Directors Report is discontinued. The Annual Return for FY 2023-24 is available on Company's website at <https://www.arnoldholdings.in/investor/annual-reports>.

15. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTY PARTIES

With reference to Section 134(3) (h) of the Companies Act, 2013, all contracts and arrangements with related parties under section 188 of the Companies Act, 2013 entered by the Company during the financial year, were in ordinary course of business and at arm's length basis. Details of the related party transactions made during the year are attached as **Annexure-1** in form AOC-2 for your kind perusal and information.

16. POLICY ON RELATED PARTY TRANSACTIONS

The Board of the Company has adopted the Policy and procedure with regard to Related Party Transactions. The policy envisages the procedure governing the materiality of Related Party Transactions and dealing with Related Party transactions required to be followed by Company to ensure compliance with the Law and Regulation. The said Policy is available on the website of the Company.

The Policy on Related Party Transactions is uploaded on the website of the company. The web link is <https://www.arnoldholdings.in/policies.html>.

17. CORPORATE GOVERNANCE

Your Company has incorporated the appropriate standards for corporate governance. Pursuant to Regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is filing Corporate Governance Report to stock exchange quarterly. However, as per Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 company is giving report on corporate governance report in annual report of the company. Corporate Governance Report is as per **Annexure - 2**.

18. ENERGY CONSERVATION MEASURES, TECHNOLOGY ABSORPTION AND R & D EFFORTS AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information relating to Conservation of Energy, Technology Absorption and Foreign Earning and Outgo as required under Section 134(3) (m) of the Companies Act, 2013, read together with Rule 8(3) of the Companies (Accounts) Rules, 2014 forms part of this Report as per **Annexure -3**.

19. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

As per Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements), Regulation 2015, the Management Discussion and Analysis Report of the financial condition and results of consolidated operations of the Company under review, is annexed and forms an integral part of director's report is given in **Annexure - 4**.

20. AUDITORS

STATUTORY AUDITORS:

M/s Amit Ray & Co., Chartered Accountant are Statutory Auditors of the Company, who were re-appointed in 39th Annual General Meeting held on 25.09.2021 to hold the office until the conclusion of the 44th Annual General Meeting.

INTERNAL AUDITORS:

Mrs. Raji Jaikumar Panicker was appointed as an internal Auditor of the Company for the Financial Year 2022-23 to 2026-27. Internal Auditors are appointed by the Board of Directors of the Company, based on the recommendation of the Audit Committee. The Internal Auditor reports their findings on the internal Audit of the Company to the Audit Committee on a half yearly basis. The Scope of Internal audit is approved by the Audit Committee. Mrs. Raji Jaikumar Panicker has resigned from the post of Internal Auditor w.e.f. 13-02-2024.

M/s. KPJ & Associates, Chartered Accountants was appointed as an internal Auditor of the Company for the Financial Year 2023-24 to 2027-28. Internal Auditors are appointed by the Board of Directors of the Company, based on the

recommendation of the Audit Committee. The Internal Auditor reports their findings on the internal Audit of the Company to the Audit Committee on a half yearly basis. The Scope of Internal audit is approved by the Audit Committee.

SECRETARIAL AUDITORS:

Your board has appointed Mr. Ranjit Binod Kejriwal, Practicing Company Secretary, as secretarial Auditor of the company for the financial year 2023-24. The secretarial report for the financial year 2023-24 is attached as **Annexure-5**. Report of secretarial auditor is self-explanatory and need not any further clarification.

Secretarial auditors' observation(s) in secretarial audit report and directors' explanation thereto –

- In corporate governance report for the Financial Year ended on 31/03/2024 number of Independent Directors present in the SRC Committee Meeting has been wrongly mentioned as 3 instead of 2 in the meeting held on 13/03/2024 and Number of Independent Directors present in the NRC Committee Meeting has been wrongly mentioned as 1 instead of 3 in the meeting held on 13/02/2024, the Company again revised and filed the Corporate Governance Report for the Financial Year ended on 31/03/2024 on 22/04/2024.
- The company is suspended on Calcutta Stock Exchange for non-filing of documents but is regularly filing its update on BSE.
- Below mentioned forms has been filed with ROC after due date with additional fees:

| Sr. No | Form No. | Particulars | SRN | Due Date | Date of Filing |
|--------|-------------|------------------------------------|-----------|------------|----------------|
| 1. | Form SH-8 | Letter of offer | AA6738873 | 30/01/2024 | 31/01/2024 |
| 2. | Form SH-9 | Declaration of solvency | AA6737859 | 30/01/2024 | 31/01/2024 |
| 3. | Form DIR-12 | Appointment and Resignation of CFO | AA6990616 | 06/03/2024 | 09/03/2024 |

The Management informed that the form could not be filled within due date due to certain connectivity issues.

21. COMMENTS ON AUDITOR'S REPORT

The notes referred to in the Auditor Report are self-explanatory and they do not call for any further explanation as required under section 134 of the Companies Act, 2013. The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company in the year under review.

22. NUMBER OF MEETING HELD DURING THE YEAR

The Details of all meeting of Board of Directors and Committee meeting had taken place during the year, is given in **Annexure 2** in the Corporate Governance Report.

23. COMPOSITION OF BOARD AND ITS COMMITTEE

The detail of the composition of the Board and its committees thereof and detail of the changes in their composition if any is given in **Annexure 2** in the Corporate Governance Report. The composition of the Board and its committee is also available on the website of the company at www.arnoldholdings.in.

24. LOANS, GUARANTEES AND INVESTMENT

The Company is a Non-Banking Financial Company and all the loans, guarantees and investment made are in accordance with section 186 of Companies Act, 2013.

25. DECLARATION BY INDEPENDENT DIRECTORS

Company has received declaration from all the independent directors duly signed by them stating that they meet the criteria of independence as provided in section 149(6) of the Companies Act, 2013.

There has been no Change in the circumstances affecting their status as Independent Directors of the Company so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant regulations. All the independent directors have cleared Online Self-Assessment Test with the Indian Institute of Corporate Affairs at Manesar.

SEPARATE MEETING OF INDEPENDENT DIRECTORS

In terms of requirement of Schedule IV of the Companies Act, 2013, the Independent Directors of the company have complied with the code of Independent Director. Independent Directors met separately on 18th March, 2024 to inter22

alia review the performance of Non-Independent Directors (Including the Chairman), the entire Board and the quality, quantity and timeliness of the flow of the information between the Management and the Board.

26. VIGIL MECHANISM & WHISTLE BLOWER POLICY

The Company has adopted a Whistle Blower Policy to provide a formal mechanism to the Directors and employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company have been denied access to the Audit Committee. The Whistle Blower Policy has been posted on the website of the Company at <https://www.arnoldholdings.in/policies.html>.

27. DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(3) (c) and Section 134(5) of the Companies Act, 2013, your directors hereby confirm:

- A. That in preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departments;
- B. That the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs if the Company at the end of the financial year and of the profit and loss of the Company for that period;
- C. That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company for preventing and detecting fraud and other irregularities;
- D. That the directors had prepared the annual accounts on a going concern basis; and
- E. The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;
- F. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

28. ANNUAL EVALUATION BY BOARD

During the year, the Board has carried out the annual evaluation of its own performance as well as the evaluation of the working of its committees and individual Directors, including Chairman of the Board. This exercise was carried out through a structured questionnaire prepared separately for Board, Committee and individual Directors.

The performance of the board was evaluated by the board after seeking inputs from all the directors on the basis of the criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc. The board and the nomination and remuneration committee reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the chairman was also evaluated on the key aspects of his role.

The Board acknowledged certain key improvement areas emerging through this exercise and action plans to address these are in progress. The performance evaluation of the Non-Independent Directors, performance of Board as a whole including Chairman was carried out by the Independent Directors at a separate meeting of the Independent Directors on 18th March, 2024.

Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

29. INTERNAL FINANCIAL CONTROL SYSTEM

The Company has a well-placed, proper and adequate internal financial control system which ensures that all the assets are safeguarded and protected and that the transactions are authorized recorded and reported correctly. The internal audit covers a wide variety of operational matters and ensures compliance with specific standard with regards to

availability and suitability of policies and procedures. During the year no reportable material weakness in the design or operation were observed.

30. ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The companies act, 2013 re-emphasizes the need for an effective internal financial control system in the company. Rule 8(5) (viii) of Companies (Accounts) Rules, 2014 requires the information regarding adequacy of internal financial controls with reference to the financial statements to be disclosed in the board' report. The detailed report forms part of Independent Auditors Report.

31. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The disclosures as per Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 are not applicable to the Company during the year 2023-24.

The applicability of CSR committee arises for the financial year 2023-24, so the company has constituted a CSR committee and policy for proper compliance of the Corporate Social Responsibility.

32. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

There was no employee drawing remuneration in excess of limits prescribed under section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Disclosures pertaining to remuneration as required under section 197(12) of the companies act' 2013 read with rules 5 of the companies (appointment and remuneration of managerial personnel) Rules, 2014 are annexed in **Annexure –6** to this report and form part of this Report.

The detailed remuneration policy of the Company is available on the below link:
<https://www.arnoldholdings.in/policies.html>

33. STATEMENT ON RISK MANAGEMENT

During the financial year under review a statement on risk management including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the company as per the provisions of Section 134(3) (n) of Companies Act, 2013; has been annexed in **Annexure-7**.

34. CEO/ CFO CERTIFICATION

Pursuant to Regulation 17(8) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Certificate from Mrs. Gazala Mohammed Irfan Kolsawala, Chief Financial Officer of the Company, for the year ended 31st March, 2024 is attached herewith as **Annexure-8**.

35. LISTING AT STOCK EXCHANGE

The Annual Listing Fee for the current year has been paid to the BSE Limited.

36. MATERIAL CHANGES AND COMMITMENT AFFECTING FINANCIAL POSITION OF THE COMPANY

No material changes and commitments affecting the financial position of your Company have occurred between the end of the financial year of the Company to which financial statements relates and the date of this report.

37. CODE OF CONDUCT

Being a listed Company provided to the Company from formulating of Code of Conduct for Board of Directors and Senior Management Personnel. However, Board of Directors has formulated and adopted Code of Conduct for Board of Directors and Senior Management Personnel. During the year, Board of Directors and Senior Management Personnel has complied with general duties, rules, acts and regulations. In this regard certificate from Whole Time Director as required under Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been received by the Board and the same is attached herewith as per **Annexure – 9**.

Code of Conduct form Board of Directors and Senior Management Personnel is available on below link:
<https://www.arnoldholdings.in/code-of-conduct.html>

38. CORPORATE GOVERNANCE CERTIFICATE

Corporate Governance is a set of process, practice and system which ensure that the Company is managed in a best interest of stakeholders. The key fundamental principles of corporate governance are transparency and accountability. Our Company's core business objective is to achieve growth with transparency, accountability and with independency. The Company has adopted various corporate governance standards and has been doing business in ethical way by which Company has enhanced stakeholders trust, shareholders wealth creation by improving shares valuation, market capitalization, etc.

A certificate received from M/s Amit Ray & Co., Statutory Auditors of the Company regarding compliance of the conditions of Corporate Governance, as required under Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached herewith as per **Annexure – 10**.

39. SEXUAL HARASSMENT OF WOMEN

Our company goal has always been to create an open and safe workplace for every employee to feel empowered, irrespective of gender, sexual preferences, and other factors, and contribute to the best of their abilities.

Internal Complaints Committee (ICC): The Company has instituted an Internal Complaints Committee (ICC) for redressal and timely management of sexual harassment complaints. The Committee is chaired by Company Secretary of the Company. The Committee also has an external senior representative member who is a subject matter expert. The Board is periodically updated on matters arising out of the policy/ framework, as well as on certain incidents, if any.

Policy on Prevention of Sexual Harassment at Workplace (POSH) and Awareness:

The Company has zero tolerance towards sexual harassment and is committed to provide a safe environment for all. The Company's policy is inclusive irrespective of gender or sexual orientation of an individual. It also includes situations around work from home scenarios. To create awareness on this sensitive and important topic, training/awareness programs are conducted throughout the year to create sensitivity towards ensuring respectable workplace.

The Company did not receive any complaints on sexual harassment during the year 2023-24 and hence no complaints remain pending as of 31st March, 2024.

40. SECRETARIAL STANDARDS ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA (ICSI)

The Company complies with all applicable mandatory Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI).

41. PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive information with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code.

The Company has a Prohibition of Insider Trading Policy and the same has been posted on the website of the Company at <https://www.arnoldholdings.in/policies.html>

42. RESEARCH & DEVELOPMENT

The Company believes that technological obsolescence is a reality. Only progressive research and development will help us to measure up to future challenges and opportunities. We invest in and encourage continuous innovation. During the year under review, expenditure on research and development is not significant in relation to the nature size of operations of your Company.

43. FRAUD REPORTING

During the year under review, no fraud has been reported by Auditors under Section 143(12) of the Companies Act, 2013.

44. MAINTENANCE OF COST RECORDS

The company is not required to maintain Cost Records as specified by Central Government under section 148(1) of the Companies Act, 2013, and accordingly such accounts and records are not made and maintained.

45. OPINION OF BOARD

Financial Year 2023-24 no Independent Director was appointed in the company. The Board of directors consists of independent Director having integrity, relevant expertise and experience.

46. STATUTORY INFORMATION

The Company being basically is a Non- Banking Financial Company and dealing in shares and securities.

47. APPRECIATION

Your Directors place on record their deep appreciation to employees at all levels for their hard work, dedication and commitment and express their sincere thanks and appreciation to all the employees for their continued contribution, support and co-operation to the operations and performance of the company.

48. DISCLOSURE PERTAINING TO INSOLVENCY & BANKRUPTCY CODE (“IBC”)

No application for Bankruptcy under the Insolvency & Bankruptcy Code, 2016 (“IBC”) was made against the Company during the financial year under review.

49. DISCLOSURE OF ONE TIME SETTLEMENT

The Company did not avail any such onetime settlement during the Financial Year. Therefore, disclosure of the details Of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof is not applicable to the Company.

50. DISCLOSURE OF CERTAIN TYPES OF AGREEMENTS BINDING LISTED ENTITIES:

The Company has entered into the agreement which are in ordinary course of business with the directors and Promoters, except this company has not entered into any other agreements with promoters, directors or promoter group.

51. CREDIT RATING:

There is no credit rating obtained by the Company during the Financial Year 2023-24.

52. ACKNOWLEDGEMENT:

Your Directors would like to express their sincere appreciation of the co-operation and assistance received from Shareholders, Bankers, regulatory bodies and other business constituents during the year under review.

Your Directors also wish to place on record their deep sense of appreciation for the commitment displayed by all executives, officers and staff, resulting in successful performance of the Company during the year.

Place: Mumbai
Date: 03.09.2024

For the Board of Director
Arnold Holdings Limited

For the Board of Director
Arnold Holdings Limited

Sd/-
Murari Mallawat
Whole Time Director
DIN: 08809840

Sd/-
Munni Devi Jain
Chairperson
DIN: 08194500

Annexure-1

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis

| Sr. No. | Name(s) of the related party and nature of relationship | Nature of contracts /arrangements/transactions | Duration of the contracts / arrangements/transactions | Salient terms of the contracts or agreement or transactions including the value, if any | Justification for entering into such contracts or arrangements or transactions | Date(s) of approval by the Board | Amount paid as advance, if any | Date on which the special resolution was passed in general meeting as required under first proviso to section 188 |
|---------|---|--|---|---|--|----------------------------------|--------------------------------|---|
| NIL | | | | | | | | |

2. Details of material contracts or arrangement or transactions at arm's length basis

| Sr. No. | Name(s) of the related party and nature of relationship | Nature of contracts/ arrangements / transactions | Duration of the contracts/ arrangements / transactions | Salient term of the contracts or arrangements or transactions including the value, if any | Date(s) if approval by the Board, if any | Amount paid as advanced, if any |
|---------|---|--|--|---|--|---------------------------------|
| 1 | Murari Mallawat, Whole Time Director | Remuneration | Annually | Remuneration paid Rs. 50,000/- | 19/04/2023 | NIL |
| 2 | Rajpradeep Mahavirprasad Agrawal, Whole Time Director | Remuneration | Annually | Remuneration paid Rs. 50,000/- | 19/04/2023 | NIL |
| 3 | Sopan Vishwanathrao Kshirsagar, Independent Director | Sitting Fees | N.A. | Sitting Fees paid Rs. 25,000/- | 19/04/2023 | NIL |
| 4 | Sushil Mahendrakumar Jhunjhunwala, Independent Director | Sitting Fees | N.A. | Sitting Fees paid Rs. 25,000/- | 19/04/2023 | NIL |
| 5 | Munni Devi Jain Independent Director | Sitting Fees | N.A. | Sitting Fees paid Rs. 25,000/- | 19/04/2023 | NIL |
| 6 | Pawankumar Mallawat, Relative of Director | Rent paid | Annually | Rent paid Rs.12,00,000 | 19/04/2023 | NIL |
| 7 | Dharmendra Ramnihor Yadav, CFO* | Salary | Annually | Salary Paid Rs. 6,10,000/- | 19/04/2023 | NIL |
| 8 | Raji Jaikumar Panicker Company Secretary | Salary | Annually | Salary Paid Rs. 5,45,000/- | 19/04/2023 | NIL |
| 9 | Gazala Mohammed Irfan Kolsawala CFO** | Salary | Annually | Salary Paid Rs. 90,000/- | 13/02/2024 | NIL |
| 10 | Allwin Securities Limited Promoter is Director | Interest Receivable | Annually | Interest @ 6% p.a. | 19/04/2023 | NIL |
| 11 | Pawan Kumar Mallawat-Promoter | Interest Receivable | Annually | Interest @ 7% p.a. | 19/04/2023 | NIL |

| | | | | | | |
|----|-------------------------------------|------------------------|----------|--------------------|------------|-----|
| 12 | Sandeep Mallawat- Promoter Group | Interest Receivable | Annually | Interest @ 9% p.a. | 19/04/2023 | NIL |
|----|-------------------------------------|------------------------|----------|--------------------|------------|-----|

* Dharmendra Ramnihor Yadav resigned w.e.f. 06/02/2024

**Gazala Mohammed Irfan Kolsawala appointed w.e.f. 13/02/2024

Place: Mumbai
Date: 03.09.2024

For the Board of Director
Arnold Holdings Limited

For the Board of Director
Arnold Holdings Limited

Sd/-
Murari Mallawat
Whole Time Director
DIN: 08809840

Sd/-
Munni Devi Jain
Chairperson
DIN: 08194500

Annexure-2

REPORT ON CORPORATE GOVERNANCE

(AS REQUIRED UNDER REGULATION 27(2) OF THE SEBI (LODR) REGULATIONS, 2015)

Report on Corporate Governance pursuant to Regulation 34(3) and Schedule V (C) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and forming Part of the Directors' Report for the year ended 31st March, 2024. The Company has complied with the corporate governance requirements specified in regulation 17 to 27.

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's philosophy on Corporate Governance is to strive to do the right things, we explore innovative ideas and thinking with positive outlook. In its endeavor to achieve the higher standards of governance by adopting the best emerging practices, the Company not only adheres to the prescribed corporate governance practices in terms of the regulatory requirements but is also committed to sound corporate governance principles and practices. The Company believes in abiding by the Code of Governance so as to be a responsible corporate citizen and to serve the best interests of all the stakeholders, viz., the employees, shareholders customers, vendors and the society at large. The Company seeks to achieve this goal by being transparent in its business dealings, by disclosure of all relevant information in an easily understood manner, and by being fair to all stakeholders, by ensuring that the Company's activities are managed by a professionally competent and independent board of directors.

This Report, therefore, states compliance as per requirements of the Companies Act, 2013 and SEBI Listing Regulations, as applicable to the Company. In accordance with the provisions of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 and amendments thereto, given below are the corporate governance policies and practices of Arnold Holdings Ltd. for the year 2023-24.

2. BOARD OF DIRECTORS

The Company's policy is to have optimum combination of Executive and Non- Executive Directors, to ensure independent functioning of the Board. The Board consists of both promoters, external and Independent Directors and include a Woman Director. The functions, responsibility, role and accountability of the Board are well defined. The detailed reports of the Company's activities and performances are periodically placed before the Board for effective decision making.

None of the Directors hold directorship in more than 7 listed companies nor is a member of more than 10 committees or chairman of more than 5 committees across all the public limited companies in which they are Directors.

(2.1) Board Strength and representation:

As on 31st March, 2024 the Board of Directors comprises of six directors out of which three are Whole Time Directors and remaining three are Non-Executive Independent Directors. As on date of this report Board of Directors of the company is as follows:

| Name of Directors | Category & Designation |
|--|---|
| Mr. Murari Mallawat | Whole Time Director |
| Mr. Rajpradeep Mahavirprasad Agrawal | Whole Time Director |
| Mr. Sushil Mahendrakumar Jhunjhunwala | Non-Executive Independent Director |
| Mrs. Munni Devi Jain | Non-Executive Independent Director |
| Ms. Rupali Prakash Sawant* | Additional Non-Executive Independent Director |
| Mrs. Gazala Mohammed Irfan Kolsawala** | Additional Executive Director |

* Ms. Rupali Prakash Sawant appointed w.e.f. 10.07.2024

** Mrs. Gazala Mohammed Irfan Kolsawala appointed w.e.f. 30.08.2024

(2.2) The Details of Directorship held by the Directors as on 31st March, 2024 and their attendance at the Board meetings during the year are as follows:

| Name of the Directors & DIN | Category of Director | No. of other Directorships in other company (Excluding Arnold) | No. of other Board Committee(s) in which he is (Excluding Arnold) | | Attendance at last AGM | Attendance at Board Meetings | No. of Shares held as on 31.03.2024 |
|---|----------------------|--|---|----------|------------------------|------------------------------|-------------------------------------|
| | | | Member | Chairman | | | |
| Mr. Santkumar Goyal* (DIN: 02052831) | WTD | 1 | NIL | NIL | YES | 7 | NIL |

| | | | | | | | |
|--|--------|-----|-----|-----|-----|---|-----|
| Mr. Murari Mallawat (DIN: 08809840) | WTD | NIL | NIL | NIL | YES | 7 | NIL |
| Mr. Rajpradeep Mahavirprasad Agrawal (DIN: 09142752) | WTD | NIL | NIL | NIL | YES | 7 | NIL |
| Mr. Sopan Vishwanathrao Kshirsagar** (DIN: 06491444) | ID/NED | NIL | NIL | NIL | YES | 7 | NIL |
| Mr. Sushil Mahendrakumar Jhunjhunwala (DIN: 08679362) | ID/NED | NIL | NIL | NIL | YES | 7 | NIL |
| Mrs. Munni Devi Jain (DIN: 08194500) | ID/NED | NIL | NIL | NIL | YES | 7 | 600 |

WTD- Whole Time Director, ED – Executive Director, NED – Non Executive Directors, ID – Independent Director

* Mr. Santkumar Goyal resigned w.e.f 30/05/2024

** Mr. Sopan Vishwanathrao Kshirsagar resigned w.e.f.10/07/2024

Notes:

- Disclosure of Chairmanship & Membership includes membership of Committees in Public Limited Companies only.
- Directorships include alternate directorship, directorship of Private Limited Companies, Section 8 Companies of the Companies Act, 2013 and Foreign Companies.
- None of the Directors of Board is a member of more than ten Committees and no Director is Chairman of more than five committees across all the Public companies in which they are Director. The necessary disclosures regarding Committee positions have been made by all the Directors.
- None of the Independent Director of the Company is holding position of Independent Director in more than 7 Listed Company. Further, none of the Director of the Company serving as a Whole-Time Director or Managing Director in any Listed Company and is holding position of Independent Director in more than 3 Listed Company.
- None of the Non-Executive Directors has any pecuniary relationship. Non-executive Directors have no transaction with the Company. The details of sitting fees, commission and remuneration paid to each director appear later under the disclosure relating to Remuneration to Directors.
- None of the director holds directorship in other listed company.

(2.3) Details of the Directors seeking appointment/re-appointment in forthcoming Annual General Meeting

The information as required by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in relation to appointment/reappointment of Directors of the Company are given in the Annexure of the Notice of the Annual General Meeting.

(2.4) Board Meetings

The meetings of Board of Directors were held at the Registered Office of the Company. The functions performed by the Board include review of Minutes of Audit Committee Meetings and other Committees of the Board, adoption of financial results of the Company and review of Company's Operation & Performance. The Board meets at least once a quarter to review the quarterly performance and financial results of the Company. The maximum interval between any two meetings did not exceed 120 days. The agenda papers along with notes and other supporting were circulated in advance of the Board Meeting with sufficient information as required.

During the financial year 2023-2024, there were **Seven (7) Board meetings** held on following dates:

| Sr. No. | Date of Meeting | Board Strength | No. of Directors Present |
|---------|-----------------|----------------|--------------------------|
| 1 | 19/04/2023 | 6 | 6 |

| | | | |
|---|------------|---|---|
| 2 | 30/05/2023 | 6 | 6 |
| 3 | 11/08/2023 | 6 | 6 |
| 4 | 25/08/2023 | 6 | 6 |
| 5 | 09/11/2023 | 6 | 6 |
| 6 | 21/12/2023 | 6 | 6 |
| 7 | 13/02/2024 | 6 | 6 |

(2.5) Disclosure of Relationships between Directors inter-se:

No other Directors are related to each other.

(2.6) Number of shares and convertible instruments held by non-executive Directors

Except as disclosed below none of the Non-Executive Directors hold any share in the Company.

| Sr. No. | Name of Non -Executive Director | No. of Shares Held |
|---------|---------------------------------|--------------------|
| 1 | Munni Devi Jain | 600 |

(2.7) Familiarization to Independent Directors:

The Independent Directors of the Company are familiarized with the various aspects of the Company provided with an overview of the requisite criteria of independence, roles, rights, duties and responsibilities of directors, terms of appointment of the Company and policies of the Company and other important regulatory aspects as relevant for directors.

The Company has devised the Policy on Familiarization Programme for Independent Director and the same is available on the website of the Company <https://www.arnoldholdings.in/policies.html>.

The Company, through its Executive Director or Manager as well as other Senior Managerial Personnel, conducts presentations/programs to familiarize the Independent Directors with the strategy, operations and functions of the company inclusive of important developments in business. The details of number of programs attended and the cumulative hours spent by an independent director are uploaded on the website of the company. The web link is <https://www.arnoldholdings.in/policies.html>.

The terms and conditions of independent directors is available on the website of the Company <https://www.arnoldholdings.in/policies.html>.

(2.8) Confirmation by Independent Directors

The Company has received declaration from all the independent directors under provision of section 149(6) of the Companies Act, 2013 and under provisions of regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure requirements), Regulations, 2015 confirming that they are satisfying the criteria of independence as prescribed under the said Act & Regulations. The Board of Directors of the company confirm that they satisfying the criteria of independence under the said act and regulations and are independent of the management.

The Company's independent directors meet at least once in a financial year without the presence of executive directors and management personnel to review the performance of Non-Independent Directors and Board as whole.

All the independent directors have passed Online Self-Assessment Test with the Indian Institute of Corporate Affairs.

During the financial year 2023-24, **one (1) meeting** of Independent Directors were held on following date: 18/03/2024.

Attendance of Directors at independent Directors meeting held during the financial year is as under:

| Name | Categories | No. of Meeting Attended |
|---------------------------------------|------------|-------------------------|
| Mr. Sopan Vishwanathrao Kshirsagar | Chairman | 1 |
| Mr. Sushil Mahendrakumar Jhunjhunwala | Member | 1 |
| Mrs. Munni Devi Jain | Member | 1 |

(2.9) Matrix highlighting core skills/expertise/competencies of the Board of Directors:

The Board of Directors of the company possesses required skills, knowledge and experience of various aspects which brings effective contribution to the Board for decision making. The Board of Directors has identified the following skills required for the Company and the availability of such skills with the Board:

| Sr. No. | Essential Core skills/expertise/competencies required for the Company | Core skills/expertise/competencies of the Board of Directors |
|---------|---|---|
| 1. | Strategic and Business Leadership in Finance sector | The Directors have eminent experience in Financial Activities. |
| 2. | Finance expertise | The Board has eminent business leaders with deep Knowledge of finance and business. |
| 3. | Personal Values | Personal characteristics matching the Company's values, such as integrity, accountability, and high performance standards. |
| 4. | Good Corporate Governance | Experience in developing and implementing good Corporate Governance practice, maintaining Board and Management accountability, managing stakeholder's interest and Company's responsibility towards customer's employees, supplier, regulatory Bodies and the community in which it operates. |
| 5. | Risk Assessment and Management Skills | Assessing the market, political and other risk and plans to mitigate the risk. |

| Sr. No. | Name of the Director & DIN | Category & Nature of employment | Strategic and Business Leadership in NBFC | Finance expertise | Personal Values | Good Corporate Governance | Risk Assessment and Management Skills |
|---------|---|---------------------------------|---|-------------------|-----------------|---------------------------|---------------------------------------|
| 1 | Santkumar Goyal (DIN:02052831) | Whole Time Director | yes | yes | yes | yes | yes |
| 2 | Murari Mallawat (DIN: 08809840) | Whole Time Director | yes | yes | yes | yes | yes |
| 3 | Rajpradeep Mahavirprasad Agrawal (DIN: 09142752) | Whole Time Director | - | yes | yes | yes | yes |
| 4 | Sopan Vishwanathrao Kshirsagar (DIN: 06491444) | NED-Independent Director | yes | yes | yes | yes | yes |
| 5 | Sushil Mahendrakumar Jhunjhunwala (DIN: 08679362) | NED-Independent Director | - | yes | yes | yes | - |
| 6 | Munni Devi Jain (DIN: 08194500) | NED-Independent Director | - | yes | yes | yes | - |
| 7 | Mrs. Gazala Mohammed Irfan Kolsawala | Additional Executive Director | - | yes | yes | yes | yes |
| 8 | Ms. Rupali Prakash Sawant | Additional Independent Director | - | yes | yes | yes | yes |

(2.10) COMMITTEES OF THE BOARD

The Board has constituted various Committees with specific terms of reference in line with the provisions of the Listing Regulations, Companies Act, 2013 and the Rules issued thereunder. The Board periodically reviews the composition and terms of reference of its committees in order to comply with any amendments/modifications to the provisions relating to composition of Committees under the Listing Regulations, Companies Act, 2013 and the Rules issued thereunder.

The number of directorships and the positions held on Board Committees by the directors are in conformity with the limits on the number of Directorships and Board Committee positions as laid down in the Companies Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations as on 31st. March, 2024.

I. AUDIT COMMITTEE

In Conformity with the requirements of Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 177 of the Companies Act, 2013, as applicable, the strength of the Board as also of the Audit Committee is adequate.

Broad Terms of Reference of the Audit Committee

The Audit Committee of Arnold Holdings Limited consists of two Independent Directors and one Executive Director of the Company. All the Directors have good understanding of Finance, Accounts and Law. The Audit Committee also advises the Management on the areas where internal control system can be improved.

The Company Secretary of the Company acts as the Secretary to the Audit committee.

The terms of reference of Audit Committee of the Company are in accordance with Section 177 of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 inter-alia, include the following:

The scope of audit committee shall include, but shall not be restricted to, the following;

1. Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - b. changes, if any, in accounting policies and practices and reasons for the same;
 - c. major accounting entries involving estimates based on the exercise of judgment by management;
 - d. significant adjustments made in the financial statements arising out of audit findings;
 - e. compliance with listing and other legal requirements relating to financial statements;
 - f. disclosure of any related party transactions;
 - g. modified opinion(s) in the draft audit report;
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the listed entity with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the listed entity, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the whistle blower mechanism;
19. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;

20. Carrying out any other function as is mentioned in the terms of reference of the audit committee.
21. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision
22. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

The Audit Committee shall mandatorily review the following information:

- a. Management discussion and analysis of financial information and results of operations;
- b. Statement of significant related party transactions (as defined by the Audit Committee), submitted by the Management;
- c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d. Internal audit reports relating to internal control weaknesses; and
- e. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee.
- f. Statement of Deviations:
 - i. Quarterly Statement of Deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - ii. Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

Composition and attendance at Meetings:

| Name of Directors | Categories | Nature of Directorship | Meetings Attended |
|--------------------------------------|------------|--|-------------------|
| Mr. Sopan Vishwanathrao Kshirsagar* | Chairman | Non-Executive Independent Director | 6 |
| Mr. Sushil Mahendrakumar Jhunhunwala | Member | Non-Executive Independent Director | 6 |
| Mr. Murari Mallawat | Member | Executive Director (Whole Time Director) | 6 |

* Mr. Sopan Vishwanathrao Kshirsagar resigned w.e.f. 10/07/2024

The Composition of committee was changed in the Board Meeting held on 10th July, 2024 as follows:

| Name of Directors | Categories | Nature of Directorship |
|--------------------------------------|------------|--|
| Ms. Rupali Prakash Sawant* | Chairman | Non-Executive Independent Director |
| Mr. Sushil Mahendrakumar Jhunhunwala | Member | Non-Executive Independent Director |
| Mr. Murari Mallawat | Member | Executive Director (Whole Time Director) |

* Ms. Rupali Prakash Sawant appointed w.e.f. 10/07/2024

During the financial year 2023-24, **Six (6) meetings** of Audit Committee were held on following dates:

| | | | | | |
|------------|------------|------------|------------|------------|------------|
| 30/05/2023 | 11/08/2023 | 25/08/2023 | 09/11/2023 | 21/12/2023 | 13/02/2024 |
|------------|------------|------------|------------|------------|------------|

II. NOMINATION AND REMUNERATION COMMITTEE

Your Company constituted a Nomination & Remuneration Committee to look into the matters pertaining to remuneration of Executive and Non-Executive directors.

The Board of Directors ('the Board') of Arnold Holdings Limited ("the Company") reviewed the charter of Remuneration Committee Policy" approved at the Board Meeting held on April 24, 2021. The detailed Nomination & Remuneration Policy is uploaded on the website of the Company. The web link is <https://www.arnoldholdings.in/policies.html>.

Further in terms of Regulation 19(4) of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 the Committee is required to formulate some criteria for evaluation of performance of Independent Directors and the Board of Directors. The criteria is available on the link <https://www.arnoldholdings.in/policies.html>.

Broad Terms of Reference of the Nomination & Remuneration Committee

The terms of reference of Nomination & Remuneration Committee of the Company are in accordance with Section 178 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, The Nomination & Remuneration Committee, inter-alia:

1. To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.

2. To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
3. To recommend to the Board a Policy on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
4. To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
5. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
6. To devise a policy on Board diversity.
7. Recommend to the board, all remuneration, in whatever form, payable to senior management.
8. To determine the qualification, positive attribute and independence of Directors, Key Managerial Personnel and Senior Management.
9. To ensure the policy includes the following guiding principles:
 - The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully,
 - Relationship of remuneration to performance is clear and meets appropriate performance benchmarks and
 - Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

Role of Committee shall, Inter-alia, include the following:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

(1A) For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

- a. use the services of an external agencies, if required;
- b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
- c. consider the time commitments of the candidates.

2. formulation of criteria for evaluation of performance of independent directors and the board of directors;
3. devising a policy on diversity of board of directors;
4. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
5. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
6. Recommend to the board, all remuneration, in whatever form, payable to senior management.

Composition of the Nomination & Remuneration Committee and attendance at Meetings:

The composition of Nomination & Remuneration Committee has been as under:

| Name | Categories | Nature of Directorship | Meetings Attended |
|---------------------------------------|------------|------------------------------------|-------------------|
| Mr. Sopan Vishwanathrao Kshirsagar* | Chairman | Non-Executive Independent Director | 1 |
| Mr. Sushil Mahendrakumar Jhunjhunwala | Member | Non-Executive Independent Director | 1 |
| Mrs. Munni Devi Jain | Member | Non-Executive Director | 1 |

*Mr. Sopan Vishwanathrao Kshirsagar resigned w.e.f. 10/07/2024.

The Composition of committee was changed in the Board Meeting held on 10th July, 2024 as follows:

| Name | Categories | Nature of Directorship |
|---------------------------------------|------------|------------------------------------|
| Ms. Rupali Prakash Sawant* | Chairman | Non-Executive Independent Director |
| Mr. Sushil Mahendrakumar Jhunjhunwala | Member | Non-Executive Independent Director |
| Mrs. Munni Devi Jain | Member | Non-Executive Director |

*Ms. Rupali Prakash Sawant appointed w.e.f. 10/07.2024.

During the financial year 2023-24, **One (1)** meeting of Nomination & Remuneration Committee were held on following dates:

| |
|------------|
| 13/02/2024 |
|------------|

REMUNERATION/ SITTING FEES OF DIRECTORS

During the financial year under review the company paid below mentioned Annual Remuneration or sitting fees to directors of the Company. The Annual Remuneration/ Sitting Fees paid is in commensuration to the efforts, expertise and time devoted by the director(s).

| Name of Directors | Category | Annual Remuneration/ Sitting Fees (in Rs.) |
|--------------------------------------|------------------------------------|--|
| Mr. Murari Mallawat | Whole Time Director | 50,000 |
| Mr. Rajpradeep Mahavirprasad Agrawal | Whole Time Director | 50,000 |
| Mr. Sopan Vishwanathrao Kshirsagar | Non-Executive Independent Director | 25,000 |
| Mr. Sushil Mahendrakumar Jhunjunwala | Non-Executive Independent Director | 25,000 |
| Mrs. Munni Devi Jain | Non-Executive Independent Director | 25,000 |

REMUNERATION POLICY

The Company has adopted and implemented the Nomination and Remuneration Policy devised in accordance with Section 178(3) and (4) of the Companies Act, 2013 which is available on the website of the Company <https://www.arnoldholdings.in/policies.html>.

The remuneration payable to Directors, Key Managerial Personnel and Senior Management Person will involve a balance between fixed and incentive pay reflecting short term and long term performance objectives appropriate to the working of the Company and support in the achievement of Corporate Goals. The other matters like service contract, notice period, severance fees etc. may be decided by board from time to time.

Presently the company pay sitting fees to its non-executive directors which is detailed in the above table. The criteria for making payment to the non-executive director is available on the website of the company <https://www.arnoldholdings.in/policies.html>

III. STAKEHOLDER'S RELATIONSHIP COMMITTEE/ INVESTOR'S GRIEVANCES COMMITTEE

Your Company has constituted a shareholder / investors grievance committee ("Stakeholders, Shareholders / Investors Grievance Committee") to redress the complaints of the shareholders.

The Stakeholders, Shareholder/Investors Grievance Committee shall oversee all matters pertaining to investors of our Company.

The term of reference of Stakeholder, Shareholder and Investor Grievance Committee is as below:

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

Composition of the Stakeholders, Shareholders/Investors Grievance Committee and attendance at Meetings:

The composition of Stakeholders, Shareholders/Investors Grievance Committee has been as under:

| Name | Categories | Nature of Directorship | Meetings Attended |
|--------------------------------------|------------|------------------------------------|-------------------|
| Mr. Sopan Vishwanathrao Kshirsagar* | Chairman | Non-Executive Independent Director | 5 |
| Mr. Sushil Mahendrakumar Jhunjunwala | Member | Non-Executive Independent Director | 5 |
| Mr. Murari Mallawat | Member | Whole Time Director | 5 |

*Mr. Sopan Vishwanathrao Kshirsagar resigned w.e.f 10/07/2024.

The Composition of committee was changed in the Board Meeting held on 10th July, 2024 as follows:

| Name | Categories | Nature of Directorship |
|---------------------------------------|------------|------------------------------------|
| Ms. Rupali Prakash Sawant* | Chairman | Non-Executive Independent Director |
| Mr. Sushil Mahendrakumar Jhunjhunwala | Member | Non-Executive Independent Director |
| Mr. Murari Mallawat | Member | Whole Time Director |

*Ms. Rupali Prakash Sawant appointed w.e.f. 10/07/2024.

During the financial year 2023-24, **Five (5) meetings** of Stakeholders Relationship Committee were held on following dates:

| | | | |
|------------|------------|------------|------------|
| 30/05/2023 | 11/08/2023 | 09/11/2023 | 13/02/2024 |
| 13/03/2024 | | | |

Name & Designation and address of the Compliance Officer

CS Raji Jaikumar Panicker
Company Secretary & Compliance Officer

Pursuant to the Regulation 13(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015; the details regarding investor's complaints are as follows:

Status of Complaints pending, received, disposed and unresolved:

| | |
|--|-----|
| Number of Shareholders' Complaints Pending at the end of the year | NIL |
| Number of Shareholders' Complaints received during the year | 2 |
| Number of Shareholders' Complaints disposed during the year | 2 |
| Number of Shareholders' Complaints remain unresolved during the year | NIL |

IV. BUYBACK COMMITTEE:

The Buyback Committee is constituted in line with the provisions of the Companies Act, 2013.

The terms of reference of the Committee inter-alia includes the following:

1. finalizing/modifying the terms of the Buyback, as may be permissible under the law, with regard to the fixation of the Record Date, entitlement ratio, the time frame for completion of the Buyback, etc.;
2. the appointment of merchant bankers /registrars / broker(s), legal counsel, depository participant(s), escrow agent(s), advertising agency(ies) and other advisor(s)/consultant(s) / intermediary(ies) / agency(ies), as may be required, for the implementation of the Buyback and decide and settle the remuneration for such persons/ advisors/ consultants/ intermediaries/agencies including by the payment of commission, brokerage, fee, charges etc;
3. To open, operate and close special trading window account with the designated stock exchange and to decide the authorized signatories for special trading window account;
4. To authorize bankers to act upon the instructions of the Merchant Banker as required under the Buyback Regulations;
5. to make all necessary applications to the appropriate authorities for seeking their approvals including but not limited to approvals, as may be required, from the Securities and Exchange Board of India, Reserve Bank of India under the Foreign Exchange Management Act, 1999 and the rules, regulations framed thereunder;
6. to initiate all necessary actions for preparation, signing, issuing and filing of the Public Announcement, the Draft Letter of Offer, Letter of Offer and all other documents with respect to the Buyback with the Securities and Exchange Board of India, the stock exchanges and other appropriate authorities, as may be required;
7. to obtain all necessary certificates and reports from the Statutory Auditors and other third parties as may be required under applicable laws;
8. To verify offer/acceptances received, to finalize basis of acceptance, to pay to the members consideration for shares bought back pursuant to the Buyback;
9. To adopt text of and to make Public Announcement, Letter of Offer and all offer documents with respect to the Buyback, whether before or after the Buyback and any revision thereto;

10. to enter into escrow arrangements and appoint escrow agents as required or desirable in terms of the Buyback Regulations and to open, operate and close all necessary accounts including escrow account, special payment account, demat escrow account as required or desirable in terms of the Buyback Regulations and to enter into escrow and other agreements with and to give instructions to the bankers in connection therewith, and provide bank guarantee(s) as may be required on such terms as deemed fit and to decide authorized signatories to such accounts including bank accounts and escrow accounts;
11. opening, operation and closure of necessary bank accounts (including escrow account), issuance of bank guarantee in favour of the merchant bankers, or deposit of acceptable securities with appropriate margin with the merchant bankers, entering into agreements, release of public announcement, filing of declaration of solvency, obtaining all necessary certificates and reports from statutory auditors and other third parties as required under applicable law;
12. for the extinguishment of dematerialized shares and physical destruction of share certificates in respect of the Equity Shares bought back by the Company and filing of certificates of extinguishment required to be filed in connection with the Buy-back;
13. to determine, finalise and pay tax on buyback; and
14. to provide, finalise, execute and file such other undertakings, agreements, documents and correspondence, in connection with the Buyback with the Securities and Exchange Board of India, Reserve Bank of India, Stock Exchanges, Registrar of Companies, depositories or other authorities or third persons from time to time as may be required, desirable or considered expedient for the implementation of the Buyback.”

Composition of the Buyback Committee and attendance at Meetings:

The composition of Buyback Committee has been as under:

| Name | Categories | Nature of Directorship | Meetings Attended |
|----------------------|------------|------------------------------------|-------------------|
| Mr. Santkumar Goyal | Chairman | Whole Time Director | 4 |
| Mr. Murari Mallawat | Member | Whole Time Director | 4 |
| Mrs. Munni Devi Jain | Member | Non-Executive Independent Director | 4 |

During the financial year 2023-24, **Fours (4) meetings** of Buyback Committee were held on following dates:

| | | | |
|------------|------------|------------|------------|
| 02/01/2024 | 29/01/2024 | 30/01/2024 | 16/02/2024 |
|------------|------------|------------|------------|

The Committee has been dissolved w.e.f. 05th March, 2024.

V. GENERAL BODY MEETING

The details of Annual General Meetings held during the last three years are as follows:

| Year | Day, Date and Time | Venue |
|---------|--|--|
| 2020-21 | Saturday, 25 th September, 2021 at 10:30 A.M | B 208, Ramji House, 30 Jambulwadi, JSS Road, Mumbai-400002 |
| 2021-22 | Wednesday, 28 th September, 2022 at 10:00 A.M | IMC Chamber of Commerce & Industry, Kilachand Conference Room, 2nd Floor, IMC Bldg., IMC Marg, Churchgate-400020 |
| 2022-23 | Thursday, 28 th September, 2023 at 10:00 A.M | IMC Chamber of Commerce & Industry, Kilachand Conference Room, 2nd Floor, IMC Bldg., IMC Marg, Churchgate-400020 |

The details of Resolution(s) which were passed in the last three Annual General Meetings (“AGM”) of the Company along with details of Postal Ballot & voting pattern are as follows:

| Date of AGM | Resolution | Ordinary/ Special | Favor | | Against | |
|----------------------------------|--|----------------------|-------------|----------|-------------|----------|
| | | | Ballot/Poll | E-Voting | Ballot/Poll | E-Voting |
| 25 th September, 2021 | Adoption of Annual Accounts, Auditor’s & Director’s Report. | Ordinary | 1008 | 1723038 | 0 | 12 |
| | Re-appointment of Mr. Santkumar Goyal (DIN: 02052831), Whole Time Director Who retires by rotation and being | Ordinary | 1008 | 1642203 | 0 | 80847 |

| | | | | | | |
|--|--|----------|-------|----------|---|--------|
| | eligible, offers himself for re-appointment. | | | | | |
| | Re-appointment of Statutory Auditor. | Ordinary | 1008 | 1722438 | 0 | 612 |
| | Appointment of Mr. Rajpradeep Mahavirprasad Agrawal (DIN:09142752) as the Whole Time Director of the Company | Special | 1008 | 1338768 | 0 | 384282 |
| 28th September, 2022 | Adoption of Annual Accounts, Auditor's & Director's Report. | Ordinary | 23006 | 7379959 | 0 | 12 |
| | To appoint a Director in place of Mr. Murari Mallawat, Whole Time Director (DIN:08809840), liable to retire by rotation in terms of section 152(6) of the Companies Act, 2013 and being eligible, seeks re-appointment | Ordinary | 23006 | 7379959 | 0 | 12 |
| | To approve increase in Remuneration of Mr. Murari Mallawat (DIN: 08809840) Whole Time Director of the Company: | Special | 23006 | 3433824 | 0 | 22 |
| | Approval of Material Related Party Transaction(s): | Special | 23006 | 3433834 | 0 | 12 |
| 28th September, 2023 | Adoption of Annual Accounts, Auditor's & Director's Report. | Ordinary | 82 | 13228251 | 0 | 14 |
| | To appoint a Director in place of Mr. Rajpradeep Mahavirprasad Agrawal, Whole Time Director (DIN: 09142752), liable to retire by rotation in terms of section 152(6) of the Companies Act, 2013 and being eligible, seeks re-appointment | Ordinary | 82 | 13228251 | 0 | 14 |

VI. NAME AND ADDRESS OF SCRUTINIZER OR THE PERSON WHO CONDUCTED THE REMOTE VOTING AND BALLOT EXERCISE:

CS Ranjit Binod Kejriwal

Practicing Company Secretary

1, Aastha, 2/906, Hira Modi Sheri, Opp. Gujarat Samachar Press, Sagrampura, Ring Road, Surat – 395002, Gujarat.

Email: rbksurat@gmail.com, Ph.: +91-261-2331123

CS Ranjit Binod Kejriwal

Practicing Company Secretary,

202-B, Balaji Business Centre, Subhash Road, Opp. State Bank of India, Vile Parle (E), Mumbai - 400 057 Maharashtra

Email: cs@rkejriwal.com ; Ph: 022- 49737235

VII. EXTRA- ORDINARY GENERAL MEETING:

The details of Extra-Ordinary General Meeting held during the financial year are as follows:

| Year | Day, Date and Time | Venue |
|---------|---|---|
| 2023-24 | Monday, 15 th January, 2024 at 01:00 P.M | Through Video Conferencing / Other Audio Visual Means |

The details of Resolution(s) which were passed in the Extra-ordinary General Meetings (“EGM”) of the Company along with details of voting pattern are as follows:

| Date of EGM | Resolution | Ordinary/ Special | Favor | | Against | |
|--------------------|---|----------------------|-------------|----------|-------------|----------|
| | | | Ballot/Poll | E-Voting | Ballot/Poll | E-Voting |
| 15th January, 2024 | Approval Of Material Related Party Transaction(S). | Ordinary | 0 | 12559278 | 0 | 0 |
| | Alter the clause 3, 72 and 86(e) OF Articles Of Association (“AOA”) of the company. | Special | 0 | 13980738 | 0 | 0 |
| | Buyback of equity shares of the company: | Special | 0 | 13980738 | 0 | 0 |

NAME AND ADDRESS OF SCRUTINIZER OR THE PERSON WHO CONDUCTED THE REMOTE EVOTING AND BALLOT EXERCISE:

CS Ranjit Binod Kejriwal

Practicing Company Secretary

1, Aastha, 2/906, Hira Modi Sheri, Opp. Gujarat Samachar Press, Sagrampura, Ring Road, Surat – 395002, Gujarat.

Email: rbksurat@gmail.com, Ph.: +91-261-2331123

CS Ranjit Binod Kejriwal

Practicing Company Secretary,

202-B, Balaji Business Centre, Subhash Road, Opp. State Bank of India, Vile Parle (E), Mumbai - 400 057 Maharashtra

Email: cs@rkejriwal.com ; Ph: 022- 49737235

Postal Ballot

The Company has not passed resolutions through postal ballot during the year 2023-24. As per amended Companies Act, 2013, Company is not proposing postal Ballot for 42nd AGM and thus procedure for postal ballot is not applicable.

VIII. MEANS OF COMMUNICATION

Financial Results:

Arnold Holdings Limited believes in publishing all the financial information to stakeholders within the stipulations provided under the law. During the year, Company has declared all financial results within the timeline provided under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Quarterly/ Half yearly/ Yearly financial results: The Quarterly /Half yearly/ Yearly financial results of the Company are normally published in website of the Company i.e. on www.arnoldholdings.in. Financial results for the year 2023-2024 have been submitted to stock exchange within 30 minutes from the conclusion of Board Meeting in which financial results have been approved. During the year, following half yearly and yearly financial results have been submitted on BSE portal.

| Period of Financial Results | Date |
|--|------------|
| Unaudited Financial Results for the quarter ended June 30, 2023 | 11/08/2023 |
| Unaudited Financial Results for the half year ended September 30, 2023 | 09/11/2023 |
| Unaudited Financial Results for the quarter ended December 31, 2023 | 13/02/2024 |
| Audited Financial Results for the year ended March 31, 2024 | 30/05/2024 |

The Company's Quarterly & Annually Financial Results are required to be published in the newspaper. Hence, the Company has published the abovementioned financial results in The Business Standard (English language) and Mumbai Lakshdeep (Marathi Language) in Mumbai.

News Release/ Presentation made to the Investors: Nil except as mentioned above.

Website: Company's official website www.arnoldholdings.in contains separate tab "Investor Relations" for investors, in which notices of the Board Meetings, Annual Reports, Shareholding Pattern and other announcements made to stock exchange are displayed in due course for the shareholders information.

Email IDs for investors: The Company has formulated email id arnoldholding9@gmail.com for investor service, investor can also contact share Registrar and Transfer Agent (RTA) of the Company on their email id nichetechpl@nichetechpl.com and the same is available on website of the Company www.arnoldholdings.in.

SEBI SCORES: For investor compliant redressal SEBI has developed SCORES platform in which investor can lodge any complaint against the Company for any grievance. The Company also uploads the action taken report in the SCORES platform for redressal of investor complaints.

BSE Corporate Compliance & Listing Centre (the "Listing Centre"): BSE's Listing Centre is a web-based Application designed for Corporate. All periodical compliances filings like shareholding pattern, corporate governance report, among others are also filed electronically on the Listing Centre.

IX. GENERAL SHAREHOLDER INFORMATION

| | |
|-----------------------------|---|
| Date, Time and Venue of AGM | 30 th September, 2024 10.00 AM at Registered Office (As through VC/OAVM) |
| Financial Year | From 1 st April 2023 to 31 st March, 2024 |
| Date of Book Closure | From Tuesday, the 24 th day of September, 2024 to Monday, 30 th day of September, 2024 (both day inclusive) |

LISTING ON STOCK EXCHANGE

The Equity Shares of the Company as on the date are listed on the BSE Limited. The Company confirms that it has paid Annual Listing Fee for the Financial Year 2023-24 to the BSE Limited.

STOCK CODE OF THE COMPANY

| | | |
|-----------------------|---|---------------|
| ISIN | : | INE185K01036 |
| Scrip Name | : | ARNOLD |
| Security Code | : | 537069 |
| Type of Shares | : | Equity Shares |
| No. of paid up shares | : | 2,37,75,000* |

*Company has made buy back of 63, 00,000 shares during the year 2023-24.

NAME OF THE STOCK EXCHANGE

BSE Limited,

Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001
Tel: 022-22721233/4,
Fax: 022-22721919

MARKET PRICE DATA (As obtained from BSE Website)

Data of market price high, low for the year 2023-24 is given below:

| Month & Year | High (Rs.) | Low (Rs.) | Volume (No. of Shares) | Turnover (Amount in Rs.) | Closing |
|----------------|------------|-----------|---------------------------|-----------------------------|---------|
| April,2023 | 25.50 | 22.05 | 1172917 | 27001673 | 23.70 |
| May,2023 | 26.50 | 21.60 | 607642 | 14004751 | 23.05 |
| June,2023 | 27.60 | 19.80 | 583076 | 13199709 | 22.31 |
| July,2023 | 25.15 | 19.50 | 267929 | 5770806 | 20.45 |
| August,2023 | 22.60 | 16.92 | 5972385 | 119376875 | 17.39 |
| September,2023 | 21.90 | 17.00 | 401099 | 7483239 | 18.42 |
| October,2023 | 19.50 | 16.90 | 147089 | 2713019 | 18.25 |
| November,2023 | 22.29 | 17.50 | 196813 | 3693226 | 18.89 |
| December,2023 | 26.10 | 16.90 | 1704716 | 37989305 | 20.71 |
| January,2024 | 37.47 | 20.34 | 4247343 | 135881192 | 33.70 |
| February,2024 | 47.60 | 34.00 | 3451547 | 145409547 | 41.40 |
| March,2024 | 41.38 | 27.74 | 1031461 | 33257163 | 33.69 |

PERFORMANCE IN COMPARISON TO OTHER INDICES

Table below gives the performance comparison of M/s. ARNOLD HOLDINGS LIMITED to BSE Sensex for the F.Y.2023-24 on month to month closing figures:

| Month & Year | BSE Sensex Close | Change in % | ARNOLD (Closing Price at BSE) | Change in % |
|----------------|---------------------|-------------|----------------------------------|-------------|
| April,2023 | 61112.44 | 3.60 | 23.70 | 5.38 |
| May,2023 | 62622.24 | 2.47 | 23.05 | -2.74 |
| June,2023 | 64718.56 | 3.35 | 22.31 | -3.21 |
| July,2023 | 66527.67 | 2.80 | 20.45 | -8.34 |
| August,2023 | 64831.41 | -2.55 | 17.39 | -14.96 |
| September,2023 | 65828.41 | 1.54 | 18.42 | 5.92 |
| October,2023 | 63874.93 | -2.97 | 18.25 | -0.92 |
| November,2023 | 66988.44 | 4.87 | 18.89 | 3.51 |
| December,2023 | 72240.26 | 7.84 | 20.71 | 9.63 |
| January,2024 | 71752.11 | -0.68 | 33.70 | 62.72 |
| February,2024 | 72500.30 | 1.04 | 41.40 | 22.85 |
| March,2024 | 73651.35 | 1.59 | 33.69 | -18.62 |

IN CASE THE SECURITIES ARE SUSPENDED FROM TRADING, THE DIRECTOR'S REPORT SHALL EXPLAIN THE REASON THERE OF

Securities of the company are not suspended from trading.

REGISTRAR & TRANSFER AGENTS:

Niche Technologies Private Limited

Registrar to Issue & Share Transfer Agents
3A, Auckland Place, 7th Floor, Room No.7A & 7B
Kolkata-700017, West Bengal
Email Id: nichetechpl@nichetechpl.com
Website: www.nichetechpl.com

Ph. No.: +91-033-22806616/17/18

Tele Fax: +91-033-22806619

SHARE TRANSFER SYSTEM

The Company's shares are compulsorily traded in dematerialized mode. The dematerialized shares are transferable through the depository system. The power of share transfer has been delegated to the designated officials of Registrar & Transfer Agent of the Company, **Niche Technologies Private Limited**. The Registrar & Transfer Agent processes the share transfers within a period of fifteen days from the date of receipt of the transfer documents.

The Company has obtained yearly certificates from Company Secretary in Practice for compliance of share transfer formalities as per the requirement of Regulation 40(9) of SEBI (Listing Obligations and Disclosure Requirements)

Regulations, 2015. The Company has also carried out Quarterly Secretarial Audit for reconciliation of Share Capital Audit as required under SEBI circular no. 16 dated 31st December, 2002.

INVESTOR HELPDESK

Shareholders/Investors can also send their queries through e-mail to the Company at arnoldholding9@gmail.com. This designated e-mail has also been displayed on the Company's website www.arnoldholdings.in under the section Investor relation.

COMPLIANCE OFFICER

Mrs. Raji Jaikumar Panicker
Company Secretary & Compliance Officer

DISTRIBUTION OF SHAREHOLDINGS AS ON MARCH 31, 2024:

a. On the basis of Shareholdings

| Shareholding of Nominal | No. of Shareholders | % of Shareholders | Total Shares | % of Shares |
|-------------------------|---------------------|-------------------|--------------------|----------------|
| 1 to 500 | 2226 | 71.85 | 1,94,981 | 0.82 |
| 501 to 1000 | 321 | 10.36 | 2,41,636 | 1.02 |
| 1001 to 5000 | 319 | 10.30 | 7,78,818 | 3.28 |
| 5001 to 10000 | 71 | 2.29 | 5,56,590 | 2.34 |
| 10001 to 50000 | 105 | 3.39 | 23,59,752 | 9.93 |
| 50001 to 100000 | 34 | 1.10 | 26,17,731 | 11.01 |
| 100001 & Above | 22 | 0.71 | 1,70,25,492 | 71.61 |
| TOTAL | 3098 | 100.00% | 2,37,75,000 | 100.00% |

b. On the basis of Category

| Sr. No. | Description | No. of members | | No. of shares | |
|----------|-----------------------------|----------------|----------------|--------------------|----------------|
| | | Nos. | % | Nos. | % |
| A | Promoters Holding | 11 | 0.36 | 48,20,986 | 20.28 |
| B | Non-Promoter Holding | | | | |
| | <u>Institutions</u> | | | | |
| | Foreign Portfolio Investors | 1 | 0.03 | 25,000 | 0.11 |
| | <u>Non-Institutions</u> | | | | |
| | Resident Individual | 3008 | 97.09 | 77,44,410 | 32.57 |
| | Foreign Individuals or NRI | 28 | 0.91 | 3,71,521 | 1.56 |
| | Bodies Corporate | 49 | 1.58 | 1,08,13,082 | 45.48 |
| | Any other (Clearing Member) | 1 | 0.03 | 1 | 0.00 |
| | Total: | 3098 | 100.00% | 2,37,75,000 | 100.00% |

NOMINATION FACILITY

It is in the interest of the shareholders to appoint nominee for their investments in the Company. Those members, who are holding shares in physical mode and have not appointed nominee or want to change the nomination, are requested to send us nomination form duly filed in and signed by all the joint holders.

OUTSTANDING GDRS/ADRS/WARRANTS/ANY OTHER CONVERTIBLE INSTRUMENTS

The Company does not have any outstanding instruments of the captioned type.

PROCEEDS FROM PUBLIC ISSUE / RIGHTS ISSUE / PREFERENTIAL ISSUE / WARRANT CONVERSION

The Company has not issued further shares during the year.

DETAILS OF DIVIDEND

The Company has not declared dividend to its shareholders.

DETAILS OF UNPAID DIVIDEND

There is balance lying in unpaid equity dividend account. Details are showing on the website www.arnoldholdings.in. 43

PLANT LOCATION

The Company is in the business of providing financial services; therefore, it does not have any manufacturing plants.

ADDRESS FOR CORRESPONDENCE:

| (a) Registrar & Transfer Agents: | (b) Registered Office: |
|--|---|
| Niche Technologies Private Limited | Arnold Holdings Limited |
| 3A, Auckland Place, 7 th Floor, Room No.7A & 7B | B 208, Ramji House, 30 Jambulwadi, |
| Kolkata-700017, West Bengal | JSS Road, Mumbai – 400002, Maharashtra |
| Email Id: nichetechpl@nichetechpl.com | Ph. No.: 022-22016640 |
| Website: www.nichetechpl.com | Email: arnoldholding9@gmail.com |
| Ph. No.: +91-033-22806616/17/18 | Website: www.arnoldholdings.in |
| Tele Fax: +91-033-22806619 | |

CREDIT RATING: NIL

X. DISCLOSURES

DISCLOSURE OF ACCOUNTING TREATMENT IN PREPARATION OF FINANCIAL STATEMENT

In preparation of the financial statements, the Company has followed the Ind AS issued by the Institute of Chartered Accountants of India (ICAI). The significant accounting policies which are consistently applied have been set out in the Notes to the Accounts.

RISK MANAGEMENT

The Company has to frame a formal Risk Management Framework for risk assessment and risk minimization to ensure smooth operation and effective management control. The Audit Committee has to review the adequacy of the risk management framework of the Company, the key risks associated with the business and to measure the steps to minimize the same.

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

The Company has adopted the Code of Conduct for regulating, monitoring and reporting of Trading by Insiders in accordance with the requirement of SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Companies Act, 2013.

MATERIAL SUBSIDIARY

The Company does not have any material subsidiary.

COMPLIANCE CERTIFICATE FROM THE AUDITORS

As required by Schedule V (E) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Auditors' certificate on Corporate Governance is annexed to this report. The certificate is enclosed as **Annexure 10**.

CERTIFICATION FROM COMPANY SECRETARY IN PRACTICE

Mr. Ranjit Binod Kejriwal, Practicing Company Secretary has issued a certificate required under the listing regulations, confirming that none of the Directors on the Board of the company has been debarred or disqualified from being appointed or continuing as director of the company by SEBI/Ministry of Corporate Affairs or any such statutory authority. The certificate is enclosed as **Annexure 11**.

WHISTLE BLOWER POLICY/VIGIL MECHANISM POLICY

The Company has adopted a Whistle Blower Policy to provide a formal mechanism to the Directors and employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company have been denied access to the Audit Committee. The Whistle Blower Policy has been posted on the website of the Company at <https://www.arnoldholdings.in/policies.html>.

RELATED PARTY TRANSACTION

The Company has no materially significant related party transactions with related parties during the financial year which were in conflict with the interest of the Company. All Related Party Transactions during the year have been disclosed in **AOC-2 as per annexure 1**.

All the transactions entered into with Related Parties as defined under Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year were in the Ordinary Course of

business and on arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. Prior approval of the Audit Committee is obtained for all Related Party Transactions.

The list of related party transactions entered by the Company during the year is mentioned in note no. 35 of Related party Disclosures (As identified by management) of the financial statement. All related party transactions are monitored by Audit Committee of the Company. Company's policy on related party transaction is available on below link: <https://www.arnoldholdings.in/policies.html>.

FEES TO STATUTORY AUDITOR

Company has paid total fees paid by the company to the Statutory Auditor as mentioned below:

| Amount in Rs. | |
|-------------------------------------|-------------------|
| Payment to Statutory Auditor | FY 2023-24 |
| Audit Fees | 50,000 |

DISCLOSURES IN RELATION TO THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has formulated a policy on Prevention of Sexual Harassment at workplace is in line with the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (Prevention of Sexual Harassment of Women at Workplace Act) and Rules framed thereunder.

Further, to comply with the provisions of Section 134 of the Act and Rules made thereunder, the Company has constituted an Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company conducts sessions for employees across the organization to build awareness amongst employees about the Policy and the provisions of Prevention of Sexual Harassment of Women at Workplace Act.

The details of complaints filed, disposed & pending are given below:

| | Sexual Harassment | Discrimination at Workplace | Child labour | Forced Labour/Involuntary Labour | Wages | Other human rights related issues |
|---|--------------------------|------------------------------------|---------------------|---|--------------|--|
| Number of complaints pending at the beginning of the financial year | Nil | Nil | Nil | Nil | Nil | Nil |
| Number of complaints filed during the financial year | Nil | Nil | Nil | Nil | Nil | Nil |
| Number of complaints disposed of during the financial year | Nil | Nil | Nil | Nil | Nil | Nil |
| Number of complaints pending as on end of the financial year | Nil | Nil | Nil | Nil | Nil | Nil |

STATUTORY COMPLIANCE, PENALTIES AND STRICTURES

The Company has complied with the requirements of the Stock Exchanges / Securities and Exchange Board of India (SEBI) / and Statutory Authorities to the extent applicable, and accordingly no penalties have been levied or strictures have been imposed on the Company on any matter related to capital markets during the year.

MANDATORY & NON MANDATORY REQUIREMENTS

The Company has complied with all the mandatory requirements of Corporate Governance and endeavors to adopt good corporate governance practices which help in adoption of non-mandatory requirements.

UPDATE E-MAILS FOR RECEIVING NOTICE/DOCUMENTS IN E-MODE

The Ministry of Corporate Affairs (MCA) has through its circulars issued in 2011, allowed service of documents by companies including Notice calling General Meeting(s), Annual Report etc. to their shareholders through electronic mode. This green initiative was taken by MCA to reduce paper consumption and contribute towards a green environment. As a responsible citizen, your company fully supports the MCA's endeavor.

In accordance of the same, your company had proposed to send Notice calling General Meetings, Annual Report and other documents in electronic mode in future to all the shareholders on their email addresses. Accordingly, the Annual Report along with Notice will be sent to the shareholders in electronic mode at their email addresses.

The shareholders may register their email addresses with their Depository through Depository Participant.

UPDATE YOUR CORRESPONDENCE ADDRESS/ BANK MANDATE/PAN/ EMAIL ID

Shareholder(s) holding shares in dematerialized for are requested to notify changes in Bank details/ address/ email ID directly with their respective DPs.

QUOTE FOLIO NO. / DP ID NO.

Shareholders/ Beneficial owners are requested to quote their DP ID no. in all the correspondence with the Company.

Shareholders are also requested to quote their Email ID and contact number for prompt reply to their correspondence.

LOANS AND ADVANCES IN WHICH DIRECTORS ARE INTERESTED

The company has not provided any loans and advances to any firms/companies in which directors are interested.

RECONCILIATION OF SHARE CAPITAL

As stipulated by the Securities and Exchange Board of India (SEBI), a Practicing Company Secretary shall carry out audit of Reconciliation of Share Capital and provide a report to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. The audit inter- alia, confirms that the total listed and paid- up capital of the company is in agreement with the aggregate of the total number of shares in dematerialized form. This reconciliation is carried out for every quarter and report of Practicing Company Secretary is submitted to Stock Exchange and is also placed before the Board to take a note of the same.

XI. DISCRETIONARY REQUIREMENTS

THE BOARD

The chairman of the company is a Non-Executive Director.

SEPARATE POSTS OF CHAIRPERSON AND CHIEF EXECUTIVE OFFICER

The company has its Non-Executive Independent Director as Chairperson. But all efforts are made to ensure that all the members of the board are given adequate opportunity to put their views and participate in the proceeding(s) of meeting.

SHAREHOLDER RIGHTS

Quarterly, half yearly and yearly declaration of financial performance is uploaded on the website of the company <https://www.arnoldholdings.in/financial-result.html> as soon as it is intimated to the stock exchange.

MODIFIED OPINION(S) IN AUDIT REPORT

Standard practices and procedures are followed to ensure unmodified financial statements.

REPORTING OF INTERNAL AUDITOR

The Internal Auditor reports directly to the Audit Committee of the Company.

XII. The disclosures of the compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46

The company has complied with the provisions of regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

Place: Mumbai
Date: 03.09.2024

For the Board of Director
Arnold Holdings Limited

For the Board of Director
Arnold Holdings Limited

Sd/-
Murari Mallawat
Whole Time Director
DIN: 08809840

Sd/-
Munni Devi Jain
Chairperson
DIN: 08194500

Annexure-3

ENERGY CONSERVATION MEASURES, TECHNOLOGY ABSORPTION AND R&D EFFORTS AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

(See Rule 8 of Companies(Accounts) Rules, 2014)

| | | | |
|---------------------------------|---|--------------|---------------|
| A Conservation of Energy | | | NIL |
| (i) | the steps taken or impact on conservation of energy | | |
| (ii) | the steps taken by the company for utilising alternate sources of energy | | |
| (iii) | the capital investment on energy conservation equipment | | |
| B Technology absorption | | | NIL |
| (i) | the efforts made towards technology absorption | | |
| (ii) | the benefits derived like product improvement, cost reduction, product development or import substitution | | |
| (iii) | In case of imported technology (imported during last three years reckoned from the beginning of the financial year) | | |
| | a The details of technology imported | | |
| | b the year of import | | |
| | c whether the technology been fully absorbed | | |
| | d if not fully absorbed areas where absorption has not taken place& reasons thereof | | |
| (iv) | the expenditure incurred on research & development. | | |
| C Foreign Exchange | | | |
| | Details of Earning in Foreign Exchange | Current Year | Previous Year |
| | Export of goods calculated on FOB basis | - | - |
| | Interest and dividend | - | - |
| | Royalty | - | - |
| | Know- how | - | - |
| | Professional & consultation fees | - | - |
| | Other income | - | - |
| | Total Earning in Foreign Exchange | - | - |
| | Details of Expenditure in Foreign Exchange | | |
| | Import of goods calculated on CIF basis | - | - |
| | (i)raw material | - | - |
| | (ii)component and spare parts | - | - |
| | (iii)capital goods | - | - |
| | Expenditure on account of | - | - |
| | (i) Royalty | - | - |
| | (ii) Know- HOW | - | - |
| | Professional & consultation fees | - | - |
| | Interest | - | - |
| | Other matters | - | - |
| | Dividend paid | - | - |
| | Total Expenditure in foreign exchange | - | - |

Place: Mumbai
Date: 03.09.2024

For the Board of Director
Arnold Holdings Limited

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Sd/-
Murari Mallawat
Whole Time Director
DIN: 08809840

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MANAGEMENT DISCUSSION AND ANALYSIS REPORT

ECONOMIC OVERVIEW

Global Economy Scenario

As we reach the midpoint of the decade, the global economy shows some encouraging signs, as highlighted in the latest report from the World Bank. One positive development is the reduced risk of a worldwide recession, largely due to the robust performance of the U.S. economy. Developing countries continue to advance, demonstrating resilience in navigating challenges and maintaining momentum. However, this period marks the slowest half-decade of GDP growth in 30 years, driven by increasing geopolitical tensions and their resulting economic hazards.

Global trade growth in 2024 is expected to be only half the average in the decade before the pandemic. Developing economies, particularly those with poor credit ratings, will likely face high borrowing costs due to global interest rates remaining four-decade highs in inflation-adjusted terms. According to the World Bank, global growth is projected to be slow for the third consecutive year, dropping from 2.6% in 2023 to 2.4% in 2024.

To achieve global development goals and effectively tackle climate change by 2030, developing nations must significantly increase their investment efforts, requiring an additional \$2.4 trillion annually. However, without a comprehensive policy package, such an increase is unlikely. The expected per capita investment growth in developing economies between 2023 and 2024 is projected to be just 3.7%, barely over half the rate of the previous two decades.

The Global Economic Prospects report highlights that developing nations can gain significant economic benefits by accelerating per capita investment growth to at least 4% and sustaining it for six years or more. During such investment booms, the convergence pace with advanced-economy income levels quickens, poverty rates decline faster, productivity growth quadruples, inflation rates decrease, fiscal and external positions improve, and access to the internet expands significantly.

Outlook

Looking ahead, the global economy is anticipated to grow at a steady pace, with diminishing effects of positive shocks. Alongside, it is set to witness increasing yields and tighter credit conditions. There are likely to be persistent supply disruptions, along with a shift in inflation sentiment, which may restrain the fall in inflation. Notably, the business sector is likely to experience increased pressure, with shrinking profit margins, leading to a slowdown in hiring and expenditure.

The potential resurgence of consumer price inflation is a primary concern for the global economy. The economic rebound in 2025 largely hinges on central banks alleviating economic constraints, as inflation indicators approach their respective targets. The US and the Euro Area are particularly susceptible, with real policy rates currently at their highest levels since January 2008. Prolonged periods of high rates could substantially dampen economic activity, worsening mild recessions into more severe downturns.

Indian Economy Scenario

The National Statistical Office (NSO) has projected India's GDP growth rate for FY 2024 at 7.3%, which is higher than the 7.2% growth recorded in FY 2023 and surpasses the Reserve Bank of India's (RBI) earlier estimate of 7%. This robust growth is driven by substantial public investment and a vibrant services sector despite a slowdown in merchandise exports due to weaker global demand.

According to the RBI reports, retail inflation is expected to average 5.1% for FY 2024, marking a continued downward trend facilitated by falling international commodity prices and effective government interventions. On the external front, FY 2024 is anticipated to benefit from robust export performance in services and merchandise sectors, alongside reduced oil prices. These factors are expected to decrease the current account deficit, supported by stable capital inflows and balanced foreign trade, ensuring a steady Indian Rupee.

The decline in global inflationary pressures and proactive government measures are expected to further bolster India's economic growth. The private non-financial sector has seen a steady decline in debt since mid-2021, along with improved debt quality. The World Bank projects India's GDP growth at 6.4% for FY 2024, maintaining its position as the fastest-growing major economy in the world.

Inflation in India is anticipated to be influenced by extreme weather conditions, such as heatwaves and potential El Niño effects, volatility in international commodity prices and the pass-through of input costs to output prices. With balanced risks, inflation is expected to moderate to around 5-6% in FY 2024.

Outlook

Going forward, the country is likely to remain the world's fastest-growing major economy on the back of growing demand, moderate inflation, stable interest rate regime and robust foreign exchange reserves. The economy is poised to achieve nearly 7% growth in FY 2024-25. The catalysts for this projected growth are likely to be robust domestic demand, private consumption and investment, and Government reforms and initiatives implemented over the past decade. The Government's investments in both physical and digital infrastructure, coupled with measures to increase manufacturing have strengthened the supply side. Together, these developments are likely to provide an impetus to the country's economic activity.

India is making significant strides to achieve its futuristic growth targets. The Indian economy is projected to cross the USD 4 Trillion mark during FY 2024-25, further escalating to USD 5 trillion by FY 2026-27. Additionally, the Government has set an ambitious goal of transforming into a developed country by 2047. India will sustain its upward growth track, propelled by stable and robust domestic demand, expanding private consumption and investments, and ongoing structural reforms.

INDIAN FINANCIAL SERVICES SECTOR SCENARIO

India's financial services sector is experiencing rapid expansion, characterised by robust growth among existing firms and the influx of new entrants. This diverse landscape encompasses insurance companies, commercial banks, cooperatives, non-banking financial companies, mutual funds, pension funds and various smaller entities. Despite this diversification, banking remains the dominant force, accounting for 70% of total assets within the financial system.

The Government of India has implemented several reforms to liberalise, regulate, and strengthen the industry. Initiatives like the Credit Guarantee Fund Scheme for Micro, Small, and Medium Enterprises (MSMEs), guidelines on collateral requirements for banks, and the establishment of the Micro Units Development and Refinance Agency (MUDRA) have facilitated improved access to finance for MSMEs. This concerted effort by the Government and private sector has propelled India into one of the world's most dynamic capital markets. A primary catalyst fueling sectoral growth is the heightened focus on financial inclusion, aimed at enhancing access to finance for marginalised and underprivileged segments of society. This shift has spurred the rise of digital banking, microfinance initiatives and collaborative ventures with fintech companies, reshaping conventional banking paradigms.

India's financial services sector is undergoing a profound transformation, driven by the widespread adoption of digital technologies, shifting consumer preferences and heightened competition. This dynamic landscape is reshaping the sector's growth direction. Additionally, the integration of rapid technology has revolutionised the way Indians access and pay for services, with even street vendors embracing QR code payments. Consequently, the Boston Consulting Group anticipates a remarkable surge in India's digital payments market, projecting a threefold increase from USD 3 trillion to USD 10 trillion by 2026.

NBFCs: An Industry

NBFCs remain an important constituent of India's financial sector, and continue to leverage their superior understanding of regional dynamics and customised products and services to expedite financial inclusion in India. Lower transaction costs, innovative products, quick decision making, customer orientation and prompt service standards have differentiated NBFCs from banks.

The sector has undergone remarkable growth and has established itself as a significant player in the country's financial landscape. As of FY2023, the NBFC sector reached an impressive size of US\$ 326 billion, underscoring its influence in the financial domain. Growth in the business of NBFCs is primarily attributed to a substantial increase in the demand for specialised financial services, particularly from Micro, Small, and Medium Enterprises (MSMEs), which typically face challenges in obtaining loans from traditional banks. Moreover, the rise of digitisation has been a driving force behind the NBFC sector's growth. Adoption of digital platforms has enabled NBFCs to broaden their customer base, streamline operations, reduce costs and enhance overall customer experience. This transformation is further accentuated by the role of emerging technologies like artificial intelligence, machine learning, robotic process automation and big data.

The latest edition of the RBI's Financial Stability Report notes that aggregate lending by NBFCs rose by 20.8% (y-o-y) in September 2023 from 10.8% a year ago, primarily led by personal loans and loans to industry. The gross nonperforming assets (GNPA) and net non-performing assets (NNPA) ratios of NBFCs continued on their downward trajectory. The overall GNPA ratio in September 2023 was 4.6% versus 5.9% in September 2022; and NNPA ratio was 1.5% compared to 3.2% across the same period. Capital adequacy has also improved to 27.6% from 27.4% during this period. So too has the profitability-as evident from increase in the return on assets (RoA) to 2.9% from 2.5%.

Over the past two years, banks and NBFCs have seen rapid and persistent growth in retail loans, especially unsecured lending. Between September 2021 to September 2023, banks' retail loans grew at a compound annual growth rate (CAGR) of 25.5%, which exceeded the headline credit growth of 18.6%. Consequently, the share of retail lending in gross advances increased from 37.7% in September 2021 to 42.2% in September 2023. Alongside, unsecured retail ending grew by 27% during the same period, taking its share in total retail lending to 23.3% (or 9.8% of total gross advances of the banks).

Despite the sharp growth in retail lending, underlying asset quality has improved. The GNPA ratio of total retail advances improved to 1.6% in September 2023 from 2% in September 2022; and that of unsecured retail advances improved to 2% in September 2023 from 2.5% a year earlier.

A related development which has facilitated rapid growth in retail loans is bank lending to NBFCs, which constituted 9.9% of total bank credit at the end of June 2023. Bank lending to NBFCs increased at a CAGR of 26.3% during the past two years (i.e., from June 2021 to June 2023), which has been well above the growth of 14.8% in overall bank credit. However, such lending is mostly limited to top-rated NBFCs with close to 80% of credit given to those with AA-rating and above. Although there are no imminent signs of stress in the retail credit segment, its rapid growth amidst the disinflationary monetary policy stance raises concerns in terms of procyclicality of lending and higher debt servicing costs.

Recognising the importance of NBFCs, a series of measures have been implemented which have played an important role in strengthening the NBFCs. For instance, considering the growing size, complexity and interconnectedness of NBFCs, a revised scale-based regulatory framework has been implemented to harmonise the regulations of NBFCs with those of banks, wherever appropriate. In addition, the formal Prompt Corrective Action (PCA) framework was extended to NBFCs which enables supervisory intervention at appropriate times and requires the supervised entity to initiate and implement remedial measures in a timely manner.

As banks and NBFCs have entered into various co-lending models with divergent underwriting practices and banks have been the major lender to NBFCs, this rising interconnectedness raises risks emanating from cross-sectional dimensions. Thus, on 16 November 2023, the RBI increased risk weight on unsecured retail loans from 100% to 125% and also increased risk weight on bank exposures to NBFCs by 25% subject to a cap of 100%. The RBI's Financial Stability Report states that "the Reserve Bank took proactive regulatory measures, such as increase in risk weights on certain segments of consumer credit by banks and NBFCs as well as bank credit to NBFCs, along with a strengthening of credit standards in respect of various sub-segments under consumer credit, to prevent build-up of risks and spill-over to the wider financial system."

This decision to increase risk weights is both stability enhancing and credit positive. First, banks and NBFCs will be required to allocate higher capital for unsecured retail loans, which will improve their loss-absorbing buffers; and second, it will dampen growth exuberance among lenders and improve credit quality.

This is a privileged track record despite the NBFCs being severely tested by four large external events in the last few years: (i) demonetisation, (ii) GST implementation, (iii) failure of a few large NBFCs, and (iv) the pandemic. The fact that several NBFCs have managed to overcome these stresses without a significant impact on their financial positions is a testament to their resilience and agility.

As NBFCs have become more significant, the RBI has enhanced its regulation of the sector in recent years to address the industry specific issues such as contagion risk in the financial system, oversimplified underwriting processes, concentration of credit risk, exposure towards technology related risks, etc. Accordingly, the RBI, over last few years, has issued various guidelines such as (i) vigil over asset-liability management practices, (ii) maintaining liquidity ratios, (iii) increased reporting requirements, and (iv) scale-based regulations. These have led to NBFCs adopting practices in line with banks. The regulatory vigil is based on four key cornerstones of: (i) responsible financial innovation, (ii) accountable conduct, (iii) responsible governance, and (iv) centrality of the customer.

The NBFC sector is an important stakeholder of the Indian financial sector. Strengthened regulation and enhanced oversight are in place to further strengthen the resilience of this key sector. Given this, we reiterate what we underscored in the previous year. We believe that NBFCs with superior capital adequacy, better margins, frugal cost and prudent risk management, and those incorporating above four key cornerstones in their business models will continue to deliver sustainable growth in the foreseeable future.

COMPANY BUSINESS OVERVIEW

Arnold Holdings Limited is a public limited company incorporated in the year 1981 listed in Bombay Stock Exchange. It is a non-deposit taking, Base Layer NBFC, registered with the RBI vide Registration No. B-13.02130 Ever since its incorporation the company engaged in investment in shares and activity of non-banking finance company.

Our Company is primarily focused in providing inter corporate loans, personal loans, loans against shares & securities, Loans against properties, trade financing, bills discounting, trading in shares & securities. Being an, NBFC our Company has positioned itself between the organized banking sector and local money lenders, offering the customers competitive, flexible and timely lending services.

Products & Services:

Our Company offers financial services to commercial, industrial and financial clients with a one stop financial solution: -

- ✓ Trade Finance & Bill Discounting
- ✓ Working capital loans
- ✓ Loan against property
- ✓ Margin funding and loan against approved securities
- ✓ Capital market
- ✓ Corporate finance
- ✓ Mortgage and loans
- ✓ Infrastructure finance

FINANCIAL PERFORMANCE:

During the fiscal Year 2024, the operational income of the Company stood at Rs. 20820.19 Lacs as compared to previous fiscal Year of Rs. 16296.51 Lacs. The company has continued its lending activities and advances portfolio of the Company has been Rs. 7993.66 Lacs and the interest income of the Company have been stood at Rs. 1935.67 Lacs. This fiscal Year Company's profits have been 882.36 Lacs as compared to Rs. 380.81 Lacs of fiscal Year 2023.

Financial Highlights:

- Income from operation stood at Rs. 20820.19 Lacs for fiscal Year 2024.
- Profit before Taxes of fiscal Year 2024 was Rs. 1274.25 Lacs.
- Profit after Taxes of fiscal Year 2024 was Rs. 882.36 Lacs.
- Earnings per share for fiscal Year 2024 were Rs.3.71 per share.
- Net Worth of company stood at Rs.5289.95 Lacs as on March 31, 2024.

SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

The company is operating as Non-Banking Financial Company and so does not have segment wise performance. The performances are reflected in the balance sheet.

SWOT ANALYSIS:

Strengths:

An integrated financial services platform: We offer our clients an integrated financial services platform by offering lending against demat shares, finance consultancy, loan against immovable properties and allied products. Our integrated service platform allows us to leverage relationships across the lines of businesses and our industry and product knowledge by providing multi-channel delivery systems to our client base, thereby increasing our ability to cross-sell our services.

Experienced Management: We believe that our senior management and our talented and experienced Team are the principal reason for the growth of our Company. We believe that the extensive experience and financial acumen of our management and staff facilitates us with a significant competitive advantage.

Weakness:

Branding: Our Company is not a well-established brand among large NBFC players who have access to larger financial resources.

Accessibility: We do not have branches so we are unable to explore the business opportunities in other areas.

Regulatory restrictions: continuously evolving government regulations may impact operations.

Uncertainty: Uncertain economic and political environment.

Opportunities:

Large Market: The players in the NBFC sector still have a lot of scope to cover larger market and the rural markets are still untapped.

Desire for Status: With increased desire of individuals to improve their standard of living, the NBFC industry is getting exposed to new category of client (individuals) in a big way with large share of business coming from this segment apart from corporate clients.

Digital Platform: Company has own Digital app “TRADOFINA” which provides instant credit loans to personal and small business needs.

Threats:

Economic Downturn: If the economic downturn is prolonged it can reduce the financing need of people due to shrinking business opportunities.

Private Banks: Private Banks are also working on the similar business model as the NBFCs do, thereby giving a very strong competitions to the NBFC’s.

RBI and Government restrictions: With more stringent norms governing the functioning of NBFC and certain government restrictions act as a hindrance in smooth functioning of NBFC.

FUTURE STRATEGY:

- **Expansion of existing activities:** Our Company intends to expand its financial services by enhancing its focus on margin funding, loan against shares and securities, loan against properties and corporate loan, bill discounting and working capital loan.
- **Differentiated Services:** In the growing economy, the corporate clients will be requiring funds for further expansions. Our Company would be providing all diversified service portfolio under one umbrella to cater most of the customer needs and demands.
- **Brand recognition:** We are in such a business where we are facing lot of competition. Our Company is not a well-established brand among large NBFC players. We will be making the necessary arrangements for our brand reorganization.
- Conducting regular reviews of business plans and effective liquidity management.
- On boarding maximum number of customers through digital platform.

HUMAN RESOURCE

Arnold Holdings Ltd highly values its human capital, recognizing that the organization’s success hinges upon the competencies, capabilities, contributions and experiences of its employees. Rooted in a core philosophy of fostering a safe, healthy, and joyful workplace, the Company prioritises nurturing an environment that supports employee well-being and productivity.

Arnold Holdings Ltd actively nurtures a culture of integrity, honesty and continuous learning, while upholding principles of equality and preventing harassment. Committed to fostering respectful and secure work environments, the Company strives to provide its employees with careers rather than mere jobs, promoting trust, confidence and transparency.

In line with this philosophy, the Company’s Human Resource policies are tailored to empower its workforce with the knowledge and skills needed to thrive in a supporting work environment. Through a culture that values performance, the Company inspires its employees to pursue excellence, thereby enhancing the organization’s brand and effectively addressing business challenges.

Furthermore, as the Company progresses and transforms into a forward-thinking organisation, Arnold Holdings Ltd strategic focus remains on attracting and retaining top talent. Additionally, the Company fosters employee development and well-being, ensuring equal opportunities and nurturing harmonious relationships.

RISKS AND CONCERNS

Arnold Holdings Ltd places a high priority on risk management to safeguard the interests of customers, colleagues, shareholders, and the organization itself, all while promoting sustainable growth. The Company's risk management framework strictly adheres to industry standards, with a robust control framework serving as its foundation.

As a NBFC, the Company is exposed to major risk categories, encompassing credit, market, legal and regulatory, operational, liquidity, interest rate, cyber security, information technology, strategic and economic risks. To effectively address these increasingly intricate risks, the Company's risk management system conducts thorough risk analysis and proactively implements measures.

Arnold Holdings Ltd nurtures a culture of risk awareness, supported by standards, guidelines, processes, procedures and controls. Policies undergo rigorous review and approval by the Board and its Committees, ensuring independent identification, assessment and management of risks across business verticals. Arnold Holdings Ltd core philosophy centers on fostering a sustainable and ethical business environment, exemplified by its risk management practices.

INTERNAL CONTROLS SYSTEMS AND THEIR ADEQUACY

Arnold Holdings Ltd maintains a well-defined organizational structure, documented policy guidelines and a clear authority matrix to ensure operational efficiency, compliance with internal policies, laws and regulations, as well as the protection of resources. The Company believes that a robust internal control system and processes are vital for its day-to-day operations.

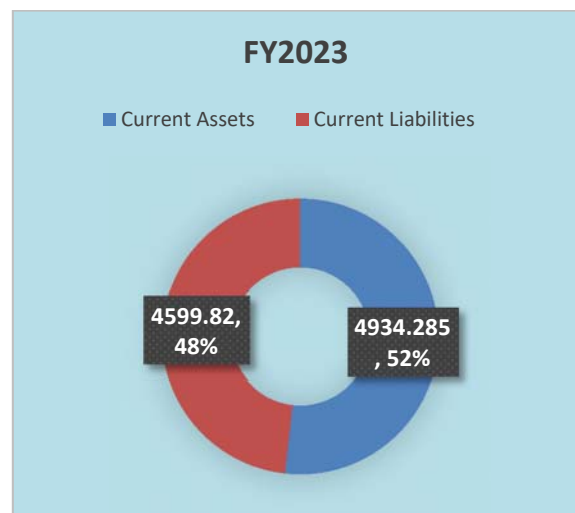
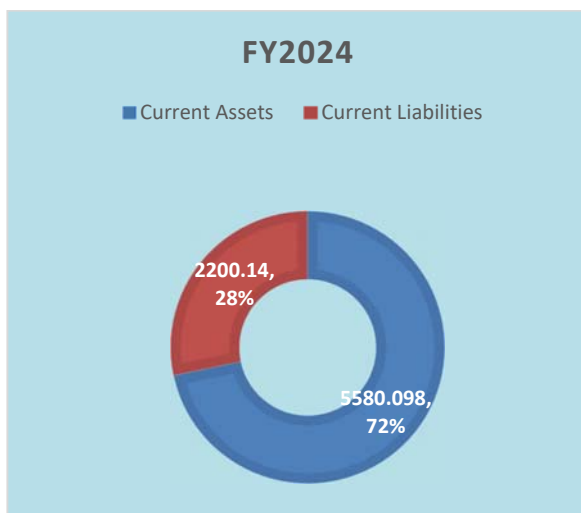
In pursuit of this goal, Arnold Holdings Ltd established an effective internal control system to align its business processes, operations, financial reporting, fraud control and compliance with regulatory guidelines. Stringent internal control measures are in place to uphold the highest standards of governance. The Company ensures the implementation of a standardized and effective internal control framework across the organization, ensuring the protection of assets and precise transaction execution in accordance with authorised procedures.

Arnold Holdings Ltd internal control system is complemented by comprehensive internal audits, regular management reviews and standardized policies and guidelines, all aimed at ensuring the accuracy and reliability of financial and other records.

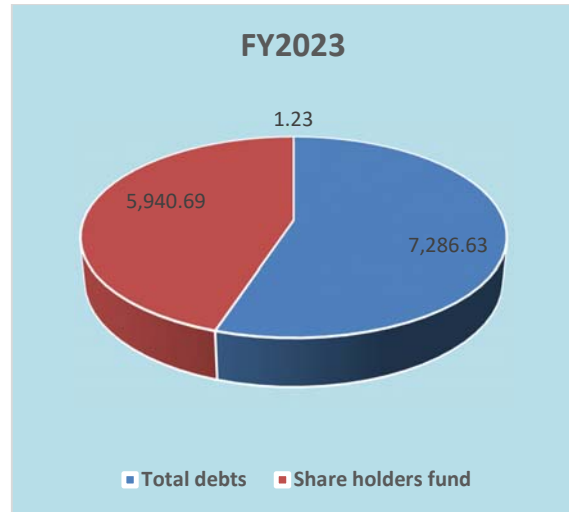
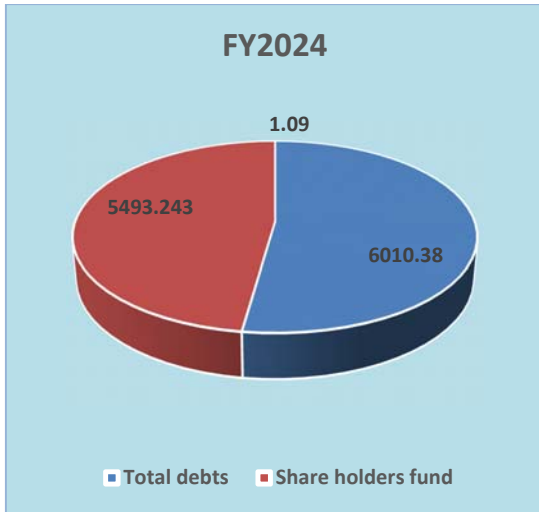
Arnold Holdings Ltd Audit Committee routinely reviews internal audit reports. The Company maintains, in all material respects, adequate internal financial control over financial reporting, which operates effectively. Internal audits are conducted to assess the adequacy of internal control systems and compliance with policies and procedures. The areas of internal audit are planned based on inherent risk assessment, risk scores and other factors such as probability, impact, significance and the strength of the control environment. The adequacy and operating effectiveness of internal controls are assessed and tested. Additionally, Arnold Holdings Ltd has formulated a risk-based internal audit policy as part of its oversight function. The objective of risk-based internal audit reviews is to identify key activities and controls in business Processes, review the effectiveness of these processes and controls. It also involves assessing the operating effectiveness of internal controls and providing recommendations for business processes and internal control enhancements.

DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIO:

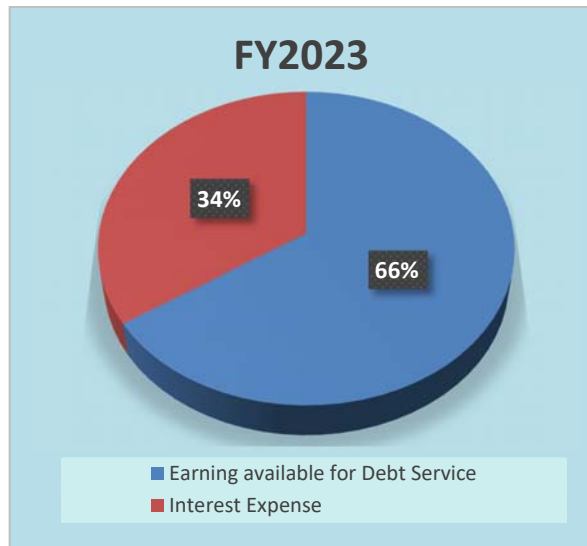
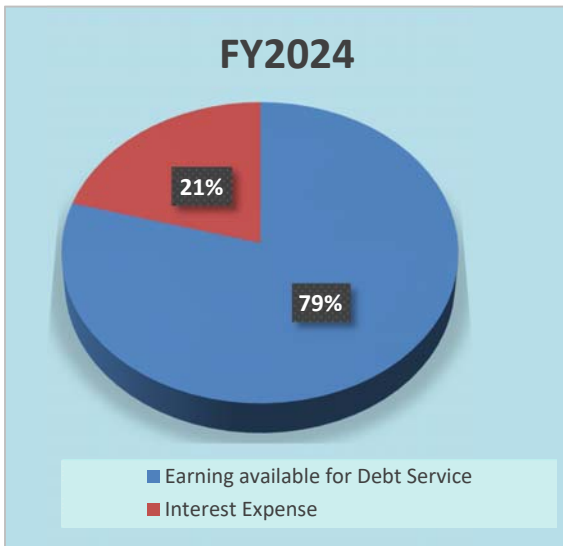
1. CURRENT RATIO:



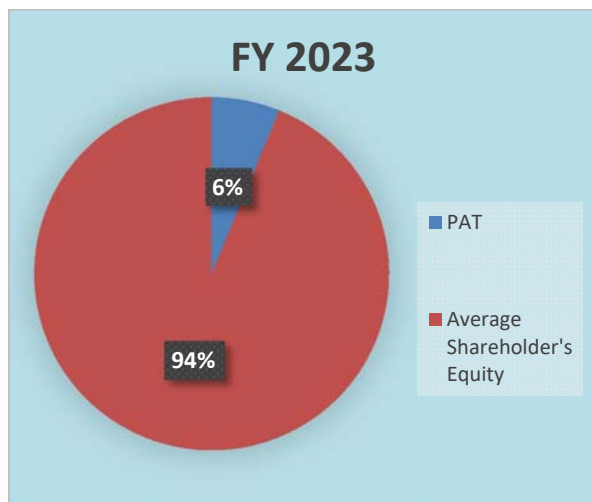
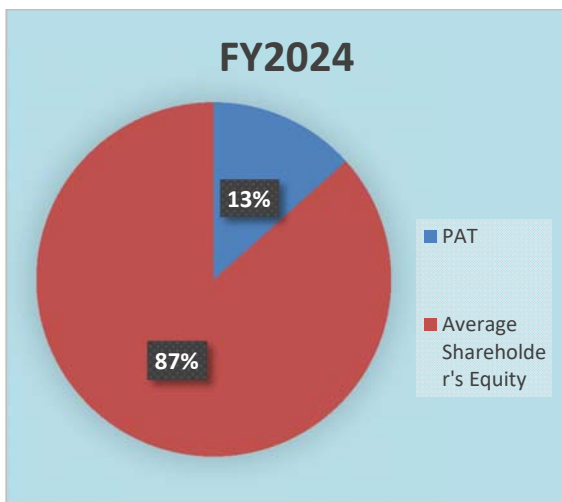
2. DEBT EQUITY RATIO:



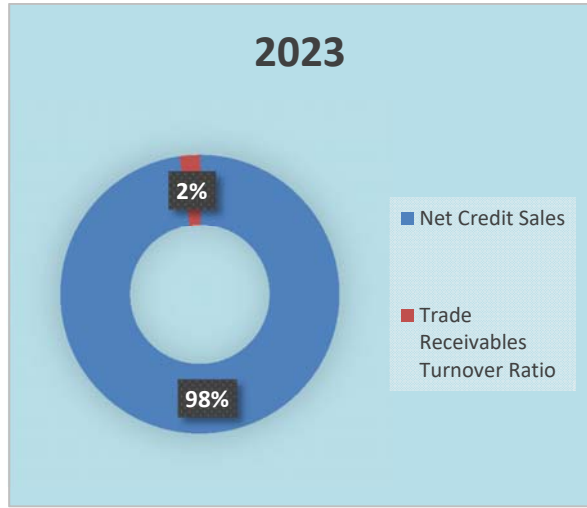
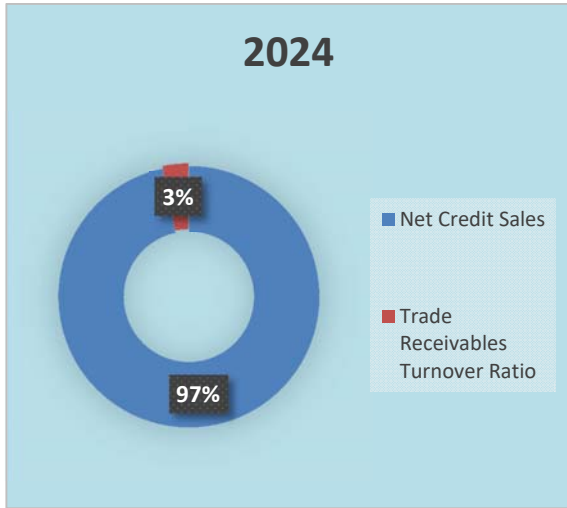
3. DEBT SERVICE COVERAGE RATIO:



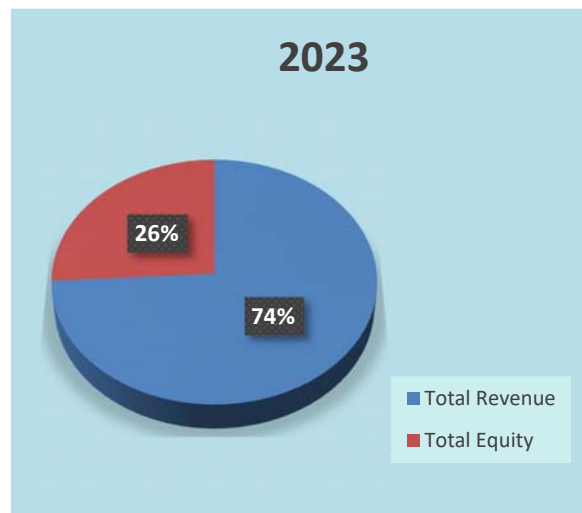
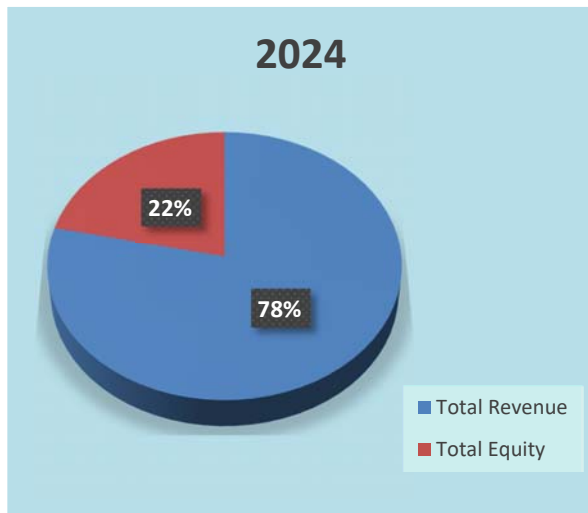
4. RETURN ON EQUITY RATIO:



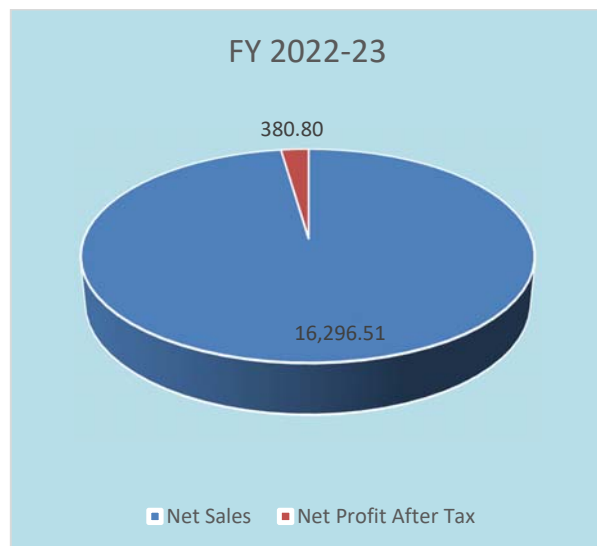
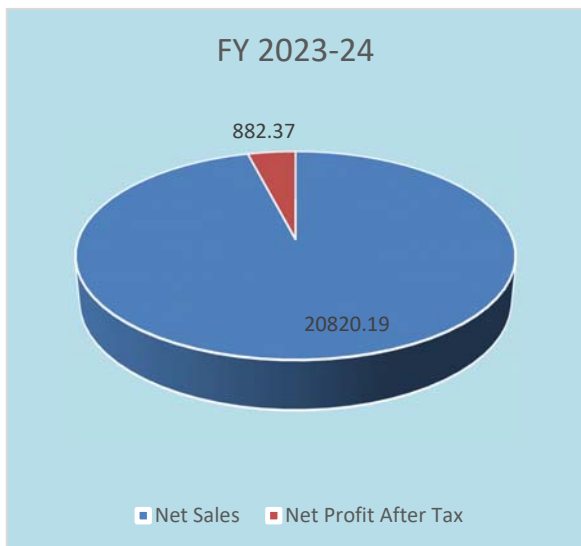
5. TRADE RECEIVABLES TURNOVER RATIO:



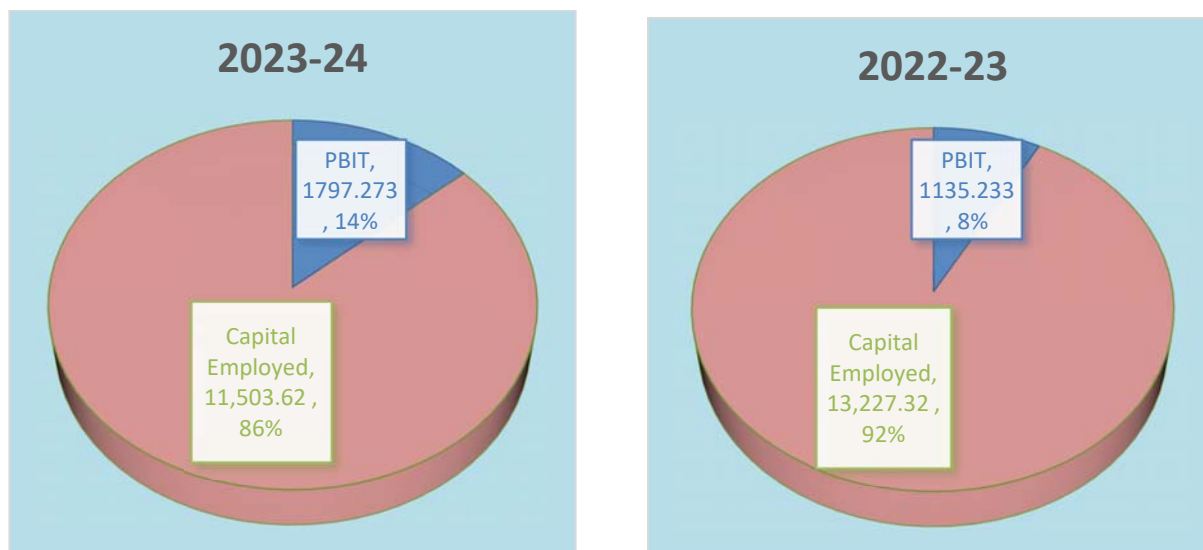
6. NET CAPITAL TURNOVER RATIO:



7. NET PROFIT RATIO:



8. RETURN ON CAPITAL EMPLOYED:



(Figures in Lakhs)

(In view of nature of business and various components of financial statements, other Ratios as mentioned in Schedule III are not applicable to the Company. Auditor has already mentioned the reasons for variance more than 25% in audit report).

CAUTIONARY:

Statements made in this Management Discussion and Analysis Report may contain certain forward-looking statements based on various assumptions about the Company's present and future business strategies and the environment in which it operates. Actual results may differ substantially or materially from those expressed or implied due to risk and uncertainties. These risks and uncertainties include the national and global effects of economic conditions, political conditions, volatility in interest rates, changes in regulations and policies impacting Company's businesses and other related factors. The information contained herein is as referred to. The Company does not undertake any obligation to update these statements. The Company has obtained the data and information referred here from sources believed to be reliable or from its internal estimates, the accuracy or completeness of which cannot be guaranteed.

Place: Mumbai
Date: 03.09.2024

For the Board of Director
Arnold Holdings Limited

For the Board of Director
Arnold Holdings Limited

Sd/-
Murari Mallawat
Whole Time Director
DIN: 08809840

Sd/-
Munni Devi Jain
Chairperson
DIN: 08194500

Annexure-5

Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2024

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Arnold Holdings Limited
(CIN: L65993MH1981PLC282783)
B 208, Ramji House, 30 Jambulwadi,
JSS Road Mumbai - 400002

I/We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Arnold Holdings Limited**, (hereinafter called the "company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my/our verification on test check basis of the **M/s. Arnold Holdings Limited**, books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on **31st March, 2024** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s. Arnold Holdings Limited** for the financial year ended on **31st March, 2024** according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable during the year: -
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **the regulation is not applicable during the Financial Year 2023-2024.**
 - d. Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **the regulation is not applicable during the Financial Year 2023-2024.**
 - e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **the regulation is not applicable during the Financial Year 2023-2024.**
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares)(Amendment) Regulations, 2021;**the regulation is not applicable during the Financial Year 2023-2024** and
 - h. Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018;
- vi. Other Laws Specifically Applicable to Company:
 - a. Income Tax Act, 1961
 - b. Goods & Service Tax and other Indirect Taxes
 - c. The Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975
 - d. Reserve Bank of India Act, 1934
 - e. Labour Laws

I have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards with regard to the Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.
- ii. The Listing Agreements entered into by the Company with BSE Stock Exchange of India and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During The year under review, the company has generally complied with the provisions of the act, rules, regulations and guidelines mentioned above except:

- In corporate governance report for the Financial Year ended on 31/03/2024 number of Independent Directors present in the SRC Committee Meeting has been wrongly mentioned as 3 instead of 2 in the meeting held on 13/03/2024 and Number of Independent Directors present in the NRC Committee Meeting has been wrongly mentioned as 1 instead of 3 in the meeting held on 13/02/2024, the Company again revised and filed the Corporate Governance Report for the Financial Year ended on 31/03/2024 on 22/04/2024.
- The company is suspended on Calcutta Stock Exchange for non-filing of documents but is regularly filing its update on BSE.
- Below mentioned forms has been filed with ROC after due date with additional fees:

| Sr. No | Form No. | Particulars | SRN | Due Date | Date of Filing |
|--------|-------------|------------------------------------|-----------|------------|----------------|
| 1. | Form SH-8 | Letter of offer | AA6738873 | 30/01/2024 | 31/01/2024 |
| 2. | Form SH-9 | Declaration of solvency | AA6737859 | 30/01/2024 | 31/01/2024 |
| 3. | Form DIR-12 | Appointment and Resignation of CFO | AA6990616 | 06/03/2024 | 09/03/2024 |

I further report that, based on the information provided by the company, its officers and authorised representative during the conduct of the audit, and also on the review of reports by CS/CFO and Statutory Auditor of the company, in my opinion, adequate systems and processes and control mechanism exist in the company to monitor and ensure compliance with applicable general laws.

I further report, that the compliance by the company of applicable financial laws, like direct and indirect tax laws, NBFC Rules, Pollution control, and Labour laws has not been reviewed in this audit since the same have been subject to review by statutory financial audit and other designated professionals.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the chairman, the decisions of the board were unanimous and no dissenting views have been recorded.

I/we further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I report further that, during the audit period, there were no specific events/actions in pursuance of the aforesaid laws, rules, regulations, etc. having a major bearing on the company's affairs, except the following:

1. The Company has made buyback of 6300000 Equity Shares through Tender Route.
2. The Company has altered clause 3, 72 and 86 (e) of Article of Association.

Place: SURAT
Date: 03.09.2024

Sd/-
Name of PCS: Ranjit Binod Kejriwal
FCS No.: 6116
C P No.: 5985
PR:I2004GJ424500
UDIN: F006116F001122704

To,
The Members,
Arnold Holdings Limited
(CIN: L65993MH1981PLC282783)
B 208, Ramji House, 30 Jambulwadi,
JSS Road Mumbai - 400002

Our Secretarial Audit report dated 03rd September, 2024 is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: SURAT
Date: 03.09.2024

Sd/-
Name of PCS: Ranjit Binod Kejriwal
FCS No.: 6116
C P No.: 5985
PR: I2004GJ424500
UDIN: F006116F001122704

Annexure-6

The Disclosures pertaining to remuneration as required under section 197(12) of the Companies Act, 2013 read with rule 5 of the companies (appointment and remuneration of managerial personnel) Amendment rules, 2016 are as under:

The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2023-24, ratio of the remuneration of the employees of the Company for the financial year 2023-24 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

| Sr. No. | Name of Director/KMP and Designation | Remuneration of Director/KMP for F.Y. 2023-24 (Amount in Rs.) | % increase in Remuneration in the F.Y. 2023-24 | Ratio of Remuneration of each Director/to median remuneration of employees |
|---------|--|---|--|--|
| 1 | Santkumar Goyal Whole Time Director* | NIL | - | - |
| 2 | Murari Mallawat Whole Time Director | 50,000 | NIL | 1.04:1 |
| 3 | Rajpradeep Mahavirprasad Agrawal Whole Time Director | 50,000 | NIL | 1.04:1 |
| 4 | Munni Devi Jain Non-Executive Independent Director***** | 25,000 | N.A. | N.A. |
| 5 | Sopan Vishwanathrao kshirsagar** Non-Executive Independent Director***** | 25,000 | N.A. | N.A. |
| 6 | Sushil Mahendrakumar Jhunjhunwala Non-Executive Independent Director***** | 25,000 | N.A. | N.A. |
| 7 | Dharmendra Ramnihor Yadav*** Chief Financial Officer | 6,10,000 | 9.89 | 1.04:1 |
| 8 | Gazala Mohammed Irfan Kolsawala**** Chief Financial Officer | 90,000 | N.A. | 0.93:1 |
| 9 | Raji Jaikumar Panicker Company Secretary | 5,45,000 | N.A. | 0.93:1 |

* Resigned on 30.05.2024

**Resigned on 10.07.2024

*** Resigned on 06.02.2024

****Appointed on 13.02.2024

***** Non-Executive Independent Director are Paid only sitting Fees.

(i) Names of the top ten employees in terms of remuneration drawn from the Company in the financial year 2023-24:

| Sr. No. | Name & Designation | Qualificati on and Experience | Remunerati on (Amount in Rs.) Per Annum | Date of Appoint ment | Age (In years) | Particulars of Last Employment | Relati ve of Direct or/ Mana ger | Percen tage of Equity Shares |
|---------|--------------------|-------------------------------|---|----------------------|-----------------|--------------------------------|----------------------------------|------------------------------|
|---------|--------------------|-------------------------------|---|----------------------|-----------------|--------------------------------|----------------------------------|------------------------------|

| | | | | | | | | |
|-----|---|--|-------------|----------------|----|--|---|---|
| 1. | Krunal Subhash Desai Senior Architect - Database | B.E. 12 Years | 58,19,028/- | 01-04- 2023 | 36 | DFL Technologies Ltd | - | - |
| 2. | Shubhangi Deshmukh Technical Lead | MSC. Computer Science 7.5 Years | 30,13,200/- | 01-03- 2022 | 33 | Institutional shareholder ser vices Pvt. Ltd | | |
| 3. | Sagar Dasari Technical Lead-QA | BSC-IT 7 Years | 20,13,000/- | 01-03- 2022 | 30 | Mobisy Technologies Pvt Ltd | - | - |
| 4. | Swapnali Jadhav Technical Lead- Android | BSC. Computer Science 8.5 Years | 14,57,628/- | 01-03- 2022 | 32 | Dronitech | - | - |
| 5. | Krishnan Gopalkrishnan Kavalapara Senior Manager_Opreti on | B. Com 14 Years | 13,89,960/- | 01-09- 2022 | 48 | Conneqt Business solution | - | - |
| 6. | Rahul Waghmare SDE 2 (Software Development Engineer)- QA | BE (Informatio n Technology) 7 Years | 10,37,616/- | 01-03- 2022 | 31 | Eureka D - soft | - | - |
| 7. | Kiran Sampat Pawar Assistant Manager Accounts | B. Com Inter CA 9 Years | 9,97,584/- | 01-03- 2022 | 35 | M/s Prashant Mittal & Associates | - | - |
| 8. | Arjumand Khan Customer Service Manager | BA 10 Years | 8,50,152/- | 21-03- 2022 | 43 | Towards Outsourcing Solutions | - | - |
| 9. | Suman Lavakumar Chatla SDE - 2 (Software Development Engineer) | BE – IT 6 Years | 8,40,756/- | 01-03- 2022 | 30 | Avigma technologies | - | - |
| 10. | Gauri Dattaram Sawant Assistant Manager - Banking | Graduation 5 Years | 7,63,344/- | 01-03- 2022 | 27 | Smaker Management Services Pvt. Ltd. | - | - |

- (ii) The median remuneration of employees of the Company during the Financial Year was Rs. 48,200/- per annum.
- (iii) In the Financial year, the median remuneration of employees has decreased to 3.60%.
- (iv) There were 35 permanent employees on the rolls of the Company as on March 31,2024;
- (v) Average percentage decrease made in the salaries of employees other than the managerial personnel in comparison of the last financial year is 4.64%. There is an average increase of 5.93% in the managerial remuneration in comparison to the last financial year.
- (vi) The remuneration of KMP is as per the recommendations of the Nomination & Remuneration Committee.
- (vii) It is hereby affirmed that the remuneration paid is as per the remuneration policy for Directors, Key Managerial Personnel and other Employees.

Place: Mumbai
Date: 03.09.2024

For the Board of Director
Arnold Holdings Limited

For the Board of Director
Arnold Holdings Limited

Sd/-
Murari Mallawat

Whole Time Director
DIN: 08809840

Sd/-
Munni Devi Jain

Chairperson
DIN: 08194500

Annexure-7

STATEMENT ON RISK MANAGEMENT

The Company has a Business Risk Management framework to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhances Company's competitive advantage.

The business risk management framework defines the risk management approach across the enterprise at various levels including documentation and reporting. The risks are assessed for each project and mitigation measures are initiated both at the project as well as at the corporate level.

The Company is exposed to market risk, credit risk, liquidity risk, regulatory risk, human resource risk and commodity price risk as set out in the Standalone Financial Statements of the Company.

The Management is responsible for oversight on overall risk management processes of the Company and to ensure that key strategic and business risks are identified and addressed by the management including identify current and emerging risks; develop risk assessment and measurement systems; establish policies, practices and other control mechanisms to manage risks.

Risk management comprises all the organizational rules and actions for early identification of risks in the course of doing business and the management of such risks.

The Risk Management of the Company, inter alia, includes identification of risks, including cyber security and related risks and also those which in the opinion of the Board may threaten the existence of the Company. The Risk management process has been established across the Company and is designed to identify, assess and frame a response to threats that affect the achievement of Company's objectives. Further, it is embedded across all the major functions and revolves around the goals and objectives of the organization.

The effectiveness of Risk Mitigation plans shall be ensured through proper monitoring, evaluation of outcomes of mitigation Plans and to look for the scope of its applicability in other areas in order to achieve overall objective of the policy. There are no risks which in the opinion of the Board threaten the existence of the Company.

Place: Mumbai
Date: 03.09.2024

For the Board of Director
Arnold Holdings Limited

For the Board of Director
Arnold Holdings Limited

Sd/-
Murari Mallawat

Whole Time Director
DIN: 08809840

Sd/-
Munni Devi Jain

Chairperson
DIN: 08194500

Annexure-8

Certificate in terms of Regulation 17(8) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Board of Directors
ARNOLD HOLDINGS LIMITED.

Dear Sir/Madam,

In accordance with Regulation 17(8) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we certify that:

1. I have reviewed the financial statements and the cash flow statement for the financial year ended March 31, 2024 and that to the best of my knowledge and belief:
 - a. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of my knowledge and belief, no transactions entered into by the Company during the financial year ended March 31, 2024 which is fraudulent, illegal or violative of the Company's code of conduct.
3. I accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Listed entity pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of internal controls, if any, of which they are aware and these steps we have taken or propose to take to rectify these deficiencies.
4. I have indicated to the auditors and the Audit Committee: -
 - a. that there are no significant changes in internal control over financial reporting during the financial year ended March 31, 2024;
 - b. there are no significant changes in accounting policies during the financial year ended March 31, 2024; and
 - c. We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the company's internal control system over financial reporting.

Place: Mumbai
Date: 30.05.2024

By order of Board of Directors
Arnold Holdings Limited

Sd/-
Gazala Mohammed Irfan Kolsawala
Chief Financial Officer

Annexure-9

DECLARATION BY WHOLE TIME DIRECTOR THAT THE MEMBERS OF BOARD OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL HAVE AFFIRMED WITH THE CODE OF CONDUCT OF BOARD OF DIRECTORS AND SENIOR MANAGEMENT

All the Members of the Board of Directors of the Company and Senior Management Personnel have affirmed compliance with the Code of Conduct for the financial year ended 31st March, 2024 as applicable to them as laid down in Companies Act, 2013 with the code of conduct of Board members and senior management personnel.

Place: Mumbai
Date: 03.09.2024

For Arnold Holdings Limited

Sd/-
Murari Mallawat
Whole Time Director
DIN: 08809840

Annexure-10

Amit Ray & Co.

Chartered Accountants

401/403, D- Definity, Jai Prakash Nagar, Road No. 1, Goregaon (E), Mumbai-400063

Ph. No. 022-40146981/49769479/49725517

Mobile- 9167441068/ 9167441048

Email: nagrao57@gmail.com,

Web: www.amitrayco.in

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of

ARNOLD HOLDINGS LIMITED.

We have examined the compliance of the conditions of Corporate Governance by **Arnold Holdings Limited** (The Company); for the year ended 31st March 2024 as stipulated in Regulation 27(2) of SEBI (Listing Obligation and Disclosure Requirements), Regulations 2015 of the said Company with BSE Limited.

The compliance of the conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of an opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned SEBI (Listing Obligation and Disclosure Requirements), Regulations 2015.

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Stakeholders Relationship Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with the management has conducted the affairs of the Company.

For Amit Ray & Co.

Chartered Accountants

Sd/-

Nag Bhushan Rao

Partner

UDIN: 24073144BKBJRA4677

M. No. 073144

FRN No. 000483C

Place: Mumbai

Date: 03.09.2024

Annexure-11

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(As per item 10(i) of clause C of Schedule V of the **Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015** read with regulation 34(3) of the said Listing Regulations)

To,
The Members,
Arnold Holdings Limited
(CIN: L65993MH1981PLC282783)
B 208, Ramji House, 30 Jambulwadi,
JSS Road, Mumbai-400002

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Arnold Holdings Limited having CIN: L65993MH1981PLC282783 and having registered office at B 208, Ramji House, 30 Jambulwadi, JSS Road, Mumbai-400002 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

| Sr. No. | Name of Director | DIN | Date of appointment in Company |
|---------|---------------------------------------|----------|--------------------------------|
| 1. | Mr. Sopan Vishwanathrao Kshirsagar* | 06491444 | 07.02.2013 |
| 2. | Mr. Sushil Mahendrakumar Jhunjhunwala | 08679362 | 13.02.2020 |
| 3. | Mr. Murari Mallawat | 08809840 | 22.08.2020 |
| 4. | Mr. Santkumar Goyal** | 02052831 | 30.07.2020 |
| 5. | Mrs. Munni Devi Jain | 08194500 | 30.07.2020 |
| 6. | Mr. Rajpradeep Mahavirprasad Agrawal | 09142752 | 24.04.2021 |

* Resigned w.e.f. 10.07.2024

** Resigned w.e.f. 30.05.2024

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: SURAT
Date: 03.09.2024

Sd/-
Name of PCS: Ranjit Binod Kejriwal
FCS No.: 6116
C P No.: 5985
UDIN: F006116F001122814

INDEPENDENT AUDITOR'S REPORT

**To
The Members,
Arnold Holdings Limited,**

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **ARNOLD HOLDINGS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss, including the statement of other comprehensive income, the cash flow statement and the statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statement, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statement

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

As part of an audit in accordance with SA's, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis of Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provision of the Act and Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significant in our audit of the Financial Statements of the current period. These matters were addressed in the context of our audit of the financial statement as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In the audit of the current period, we do not have observed any key audit matters required to be reported separately.

Other Matters:

The entire audit was carried out based on remote access of the data as provided by the management of the Company. This has been carried out based on the advisory on "Specific Considerations while conducting Distance Audit/ Remote Audit/ Online Audit issued by the Auditing and Assurance Standards Board of ICAI. We have been represented by the management of the Company that the data provided for our audit purposes is correct, complete, reliable and are directly generated by the accounting system of the Company without any further manual modifications.

We bring to the attention of the users that the audit of the financial statements has been performed in the aforesaid conditions.

Our audit opinion is not modified in respect of the above.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Financial Statements and our auditor's report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - e. On the basis of written representations received from the directors as on March 31, 2024, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024, from being appointed as a director in terms of section 164 (2) of the Act;
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;

- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- i. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

For AMIT RAY & COMPANY
Chartered Accountants
Firm Reg. No. 000483C

Sd/-
FCA Nag Bhushan Rao
Partner
Membership No: 073144
UDIN: 24073144BKBJOA8982

Place: Mumbai
Date: 30.05.2024

Annexure A referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date

(Referred to in of our report of even date to the members of Arnold Holdings Limited as on the financial statements for the year ended March 31, 2024)

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of audit, we state that:

| | | | |
|----------|------------|---|--|
| 1 | | <u>Property, Plant, Equipment and Intangible Assets</u> | |
| | (a) | Whether the company is maintaining proper records showing full particulars, including quantitative details and situation of property, plant, equipment and intangible assets. | The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets. |
| | (b) | Whether these fixed assets have been physically verified by the management at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of account; | The fixed assets of the company have been physically verified by the management during the period and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed asset is reasonable having regard to size of the company and the nature of its assets company has a program of physical verification of fixed assets over a period of one year which is, in our opinion, reasonable having regard to the size of the company and the nature of its assets and no material discrepancies were noticed on physical verification. |
| | (c) | Whether title deeds of immovable properties are held in the name of the company. If not, provide details thereof. | Yes |
| | (d) | Whether the company has revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year and, if so, whether the revaluation is based on the valuation by a Registered Valuer. | No |
| | (e) | Whether any proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. | No |
| 2 | | <u>Inventories</u> | |
| | (a) | Whether physical verification of inventory has been conducted at reasonable intervals by the management and whether any material | As explained to us, inventories have been physically verified during the year by the management at reasonable intervals. No material discrepancy was noticed on |

| | | | |
|----------|------------|--|--|
| | | discrepancies were noticed and if so, how they have been dealt with in the books of account; | physical verification of stocks by the management as compared to book records. |
| | (b) | Whether Company has availed Working Capital Loan(s) from banks or financial institutions by pledging current assets and the sanction limit(s) by combining limit of all banks or financial institutions exceed Rs 5 Crore and if so. Whether quarterly result or statement filed by the company with such banks or financial institutions are in line with the accounting books. | NA |
| 3 | | <u>Loan Granted</u> | |
| | | Whether the company has made investment in, provide any guarantee or security or granted any loans, secured or unsecured to companies, firms, LLPs or any other parties. | According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties listed in the register maintained under Section 189 of the Companies Act, 2013 and the provisions of this clauses of the order are compiled by the company. |
| | (a) | Whether the investment made, guarantees provided, security given and terms and conditions of the grant of such loans are not prejudicial to the company's interest; | No |
| | (b) | Whether receipt of the principal amount and interest are regular. If not provide details thereof; and | NA |
| | (c) | if amount is overdue then total amount overdue for more than 90 days and whether reasonable steps have been taken by the company for recovery of the principal and interest; | NA |
| | (d) | Whether any loan or advances granted which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdue of existing loan given to the same party, if so, specify the aggregate amount of such dues renewed or extended or settled by fresh loan and the percentage of the aggregate to the total loans or advances in the nature of loan granted during the year. | No |
| | (e) | whether the company has granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment, if so, specify the aggregate amount, percentage thereof to the total loans granted, aggregate amount of loans granted to promoters, | No |

| | | | |
|----------|------------|---|--|
| | | related parties as defined in clause (76) of the section 2 of the companies Act 2013 | |
| 4 | | <u>Loans, Investments and guarantees</u> | |
| | | In respect of loans, investments and guarantees, whether provisions of Section 185 and 186 of the Companies Act, 2013 have been complied with. If not, provide details thereof. | In respect of loans, investments, guarantees, and security, provisions of section 185 and 186 of the Companies Act, 2013 have been complied with. |
| 5 | | <u>Deposit</u> | |
| | | In case the company has accepted deposits, whether the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder, where applicable, have been complied with? If not, the nature of such contraventions be stated; If an order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal, whether the same has been complied with or not? | As the company is registered under Reserve Bank of India as a Non-Banking Finance Company, it is eligible to take Loan & Advances and grant Loan & Advances on such terms & conditions which are prejudicial to the interest of the company. The company does not accept any deposits from public. |
| 6 | | <u>Cost Records</u> | |
| | | Whether maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and whether such accounts and records have been so made and maintained; | As per information & explanation given by the management, maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013. Therefore, in our opinion, the provisions of this clause of the Order are not applicable to the Company. |
| 7 | | <u>Statutory dues</u> | |
| | (a) | whether the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, , service tax, duty of customs, duty of excise, value added tax, and any other statutory dues with the appropriate authorities and if not, the extent of the arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable, shall be indicated by the auditor. | According to the information and explanations given to us and the record examined by us, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employee's State Insurance, Income-tax, Sales-tax and other material Statutory Dues applicable to it. There were no arrears as at, 31st March, 2024 for a period of more than six months from the date they became payable. |

| | | | |
|-----------|------------|---|--|
| | (b) | Where dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax have not been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending shall be mentioned. (A mere representation to the concerned Department shall not be treated as a dispute). | As per Enclosure-I |
| 8 | | <u>Income Disclosed in Tax Assessment but not properly accounted in Books of Accounts.</u> | |
| | | Whether any transactions not recorded in books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, if so, whether the previously unrecorded income has been properly recorded by the company in the books of accounts during the year. | NA |
| 9 | | <u>Default in Repayment</u> | |
| | (a) | Whether the company has defaulted in repayment of dues to a financial institution or bank or debenture holders? If yes, the period and amount of default to be reported (in case of banks and financial institutions, lender wise details to be provided). | In our opinion and according to the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank, Government or debenture holder, as applicable to the company. |
| | (b) | Whether the company has been disclosed willful defaulter by any financial institution (including Banks) | No |
| | (c) | Whether term loan was applied for the purpose for which the loans were obtained, if not, the amount of loan so diverted and the purpose for which it is used. | Yes |
| | (d) | Whether fund raised on short term basis have been utilized for long term purpose, if yes, the nature and amount to be indicated | No |
| | (e) | Whether the company has taken any fund from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures, if so, details thereof with nature of such transaction and the amount in each case. | NA |
| | (f) | Whether the company has raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies, if so, provide details thereof and also report if the company has defaulted in repayment of such loan raised. | NA |
| 10 | | <u>Money raised</u> | |

| | | | |
|-----------|------------|---|---|
| | (a) | Whether moneys raised by way of initial public offer or further public offer (including debt instrument) were applied for the purposes for which those are raised. If not, the details together with delays / default and subsequent rectification, if any, as may be applicable, be reported; | Based on our audit procedures and according to the information given by the management, the company has not raised any money by way of initial public offer or further public offer (including debt instruments) or taken any term loan during the year. |
| | (b) | Whether the company has made any preferential allotment / private placement of shares or fully or partly convertible debentures during the year under review and if so, as to whether the requirement of Section 42 and section 62 of the Companies Act, 2013 have been complied with and the fund raised have been used for the purpose for which the fund were raised, if not, the details in respect of amount involved and nature of non-compliances. | No |
| 11 | | <u>Fraud</u> | |
| | (a) | Whether any fraud by the company or any fraud on the Company by its officers/ employees has been noticed or reported during the year; If yes, the nature and the amount involved be indicated. | According to the information and explanations given to us, we report that no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year. |
| | (b) | whether any report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government; | No |
| | (c) | whether the auditor has considered whistle-blower complaints, if any, received during the year by the company | NA |
| 12 | | <u>Nidhi Company</u> | |
| | | Whether the Nidhi Company has complied with the Net Owned Fund in the ratio of 1:20 to meet out the liability and whether the Nidhi Company is maintaining 10% liquid assets to meet out the unencumbered liability. | The company is not a Nidhi Company. Therefore, this clause of the order is not applicable to the company. |
| 13 | | <u>Related Parties Transactions</u> | |
| | | Whether all transactions with the related parties are in compliance with Section 188 and 177 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc as required by the accounting standards and Companies Act, 2013. | According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. |
| 14 | | <u>Internal Audit</u> | |

| | | | |
|-----------|------------|---|--|
| | | Whether the company has an internal audit system commensurate with the size and nature of its business, if yes, whether the reports of the Internal Auditors for the period under audit were considered. | NA |
| 15 | | <u>Non-cash Transactions</u> | |
| | | Whether the company has entered into any non-cash transactions with directors or persons connected with him and if so, whether provisions of Section 192 of Companies Act, 2013 have been complied with. | The company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, the provision of this clause of the Order is not applicable to the Company. |
| 16 | | <u>Registration with RBI</u> | |
| | (a) | Whether the company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and if so, whether the registration is obtained. | According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are applicable to the Company and registration has been obtained by the company. |
| | (b) | Whether the company has conducted Non-Banking or Housing Finance activities without a valid Certificate of Registration (CoR) from RBI as per Reserve Bank of India Act, 1934 | No |
| | (c) | Whether the company is Core Investment Company (CIC) as defined in the regulations made by the RBI, if so, whether it continue to fulfil the criteria of a CIC, and in case the company is an exempted or unregistered CIC, whether it continues to fulfil such criteria. | NA |
| 17 | | <u>Cash Losses</u> | |
| | | Whether the company has incurred cash losses in the financial year and in the immediately preceding financial year if so the amount of cash losses. | No |
| 18 | | <u>Resignation of Previous Statutory Auditor</u> | |
| | | Whether there has been any resignation of the Statutory Auditor during the year, if so, whether consideration has been taken for the issues, objections or concerns raised by the outgoing auditors. | No |
| 19 | | <u>Material Uncertainty</u> | |
| | | On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, whether the auditor is of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance | No |

| | | | |
|-----------|------------|--|----|
| | | sheet as and when they fall due within a period of one year from the balance sheet date; | |
| 20 | | <u>Corporate Social Responsibility</u> | |
| | (a) | whether, in respect of other than ongoing projects, the company has transferred unspent amount to a Fund specified in Schedule VII to the Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act; | No |
| | (b) | whether any amount remaining unspent under sub-section (5) of section 135 of the Companies Act, pursuant to any ongoing project, has been transferred to special account in compliance with the provision of sub-section (6) of section 135 of the said Act; | No |
| 21 | | <u>Qualification or Adverse Remark for CFS Companies</u> | |
| | | Whether there have been any qualification or adverse remark by the respective auditors in the Companies (Auditor's Report) order (CARO) reports of the companies included in the Consolidated Financial Statement, if yes, the details of the companies and the paragraph number of the CARO report containing the qualifications or adverse remark. | NA |

For AMIT RAY & COMPANY
Chartered Accountants
Firm Reg. No. 000483C

Sd/-
FCA Nag Bhushan Rao
Partner
Membership No: 073144
UDIN: 24073144BKBJOA8982

Place: Mumbai
Date: 30.05.2024

Enclosure-I

According to the information and explanations given to us, there is no amount payable in respect of income tax, Goods & service tax, sales tax, customs duty, excise duty, value added tax and cess whichever applicable, which have not been deposited on account of any disputes. The dues of income-tax and other statutory dues on account of any dispute are as follows:

| S. N. | Name of the Statute | Period to which the amount relates (AY) | Outstanding Demand/Assessed Income | Date on which demand raised | Under Section | Forum where the dispute is pending |
|--------------|----------------------------|--|---|------------------------------------|-------------------------------|---|
| 1 | Income Tax Act, 1961 | 2013-14 | - | 27.04.2023 | Assessment Proceeding u/s 147 | Open |

For AMIT RAY & COMPANY
Chartered Accountants
Firm Reg. No. 000483C

Sd/-

FCA Nag Bhushan Rao
Partner
Membership No: 073144
UDIN: 24073144BKBJOA8982

Place: Mumbai
Date: 30.05.2024

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF ARNOLD HOLDINGS LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **ARNOLD HOLDINGS LIMITED** ("the Company") as of **March 31, 2024** in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the company.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that;

1. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
3. Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For AMIT RAY & COMPANY
Chartered Accountants
Firm Reg. No. 000483C

Sd/-

FCA Nag Bhushan Rao
Partner
Membership No: 073144
UDIN: 24073144BKBJOA8982

Place: Mumbai
Date: 30.05.2024

ARNOLD HOLDINGS LIMITED

CIN : L65993MH1981PLC282783

Balance Sheet as at March 31, 2024

(₹ in lakhs)

| Particulars | Note | As at March 31, 2024 | As at March 31, 2023 |
|---|------|-------------------------|-------------------------|
| ASSETS | | | |
| Financial assets | | | |
| Cash and cash equivalents | 4(a) | 894.048 | 1,828.921 |
| Bank balance other than cash and cash equivalents above | 4(b) | - | - |
| Investments | 4(c) | 2,264.977 | 980.260 |
| Trade receivables | 5 | 41.523 | 18.541 |
| Loans | 6 | 7,993.660 | 8,304.450 |
| Other financial assets | 7 | 26.520 | 26.082 |
| Total financial assets | | 11,220.729 | 11,158.254 |
| Non-financial Assets | | | |
| Inventory | 8 | 2,379.550 | 2,106.563 |
| Current tax assets (Net) | 9 | - | - |
| Deferred tax assets (Net) | 10 | - | 6.811 |
| Property, plant and equipment | 11 | 322.433 | 497.666 |
| Other non-financial assets | 12 | 155.922 | 23.774 |
| Total non-financial assets | | 2,857.905 | 2,634.814 |
| TOTAL ASSETS | | 14,078.634 | 13,793.069 |
| LIABILITIES AND EQUITY | | | |
| LIABILITIES | | | |
| Financial liabilities | | | |
| Payables | | | |
| (I) Trade payables | | | |
| (i) Total outstanding dues of micro enterprises and small enterprises | | - | - |
| (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises | 13 | 2,097.727 | 463.187 |
| (II) Other payables | | | |
| (i) Total outstanding dues of micro enterprises and small enterprises | | - | - |
| (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises | | - | - |
| Borrowings (other than debt securities) | 14 | 6,010.381 | 7,286.631 |
| Other financial liabilities | 15 | (220.882) | (401.862) |
| Total financial liabilities | | 7,887.226 | 7,347.956 |
| Non-financial liabilities | | | |
| Current tax liabilities (Net) | 9 | - | - |
| Provisions | 16 | 642.813 | 500.892 |
| Deferred tax liabilities (Net) | 10 | 21.727 | - |
| Other non-financial liabilities | 17 | 33.623 | 3.530 |
| Total non-financial liabilities | | 698.164 | 504.422 |
| EQUITY | | | |
| Equity share capital | 18 | 2,377.500 | 3,007.500 |
| Other equity | 19 | 3,115.744 | 2,933.191 |
| Total equity | | 5,493.244 | 5,940.691 |
| TOTAL LIABILITIES AND EQUITY | | 14,078.634 | 13,793.069 |

Summary of significant accounting policies

2 & 3

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For Amit Ray & Company
Chartered Accountants
Firm Registration No.000483C

For and on behalf of the Board of Directors

Sd/-

Sd/-

Sd/-

Nag Bhushan Rao
Partner
Membership No. 073144
UDIN: 24073144BKBJOA8982

Murari Mallawat
Whole Time Director
DIN: 08809840

Rajpradeep Mahavirprasad Agrawal
Whole Time Director
DIN: 09142752

Place : Mumbai
Date : 30.05.2024

Sd/-
Raji Jaikumar Panicker
Company Secretary

Sd/-
Gazala Mohammed Irfan Kolsawala
CFO

ARNOLD HOLDINGS LIMITED

CIN : L65993MH1981PLC282783

Statement of Profit and Loss for the year ended March 31, 2024

(₹ in lakhs)

| Particulars | Note | Year Ended March 31, 2024 | Year Ended March 31, 2023 |
|---|-------|------------------------------|------------------------------|
| Revenue from operations | 20 | | |
| Interest Income | 20(a) | 1,935.673 | 2,359.747 |
| Dividend Income | 20(b) | 22.033 | 31.676 |
| Sale of Securities | 20(c) | 8,500.435 | 2,526.792 |
| Fees & Commission Income | 20(d) | 10,362.053 | 11,378.293 |
| Total revenue from operations | | 20,820.193 | 16,296.508 |
| Other income | 21 | 20.593 | 164.823 |
| Total income | | 20,840.787 | 16,461.331 |
| Expenses | | | |
| Finance costs | 22 | 523.020 | 632.941 |
| Fees & Commission Paid | | 3,075.435 | 1,995.560 |
| Impairment on financial instruments | 23 | - | - |
| Purchases of stock in trade | 24 | 7,043.414 | 3,243.392 |
| Changes in inventories of finished goods | 25 | (272.987) | (606.263) |
| Employee benefit expenses | 26 | 280.251 | 152.059 |
| Depreciation and amortization | 11 | 212.791 | 82.484 |
| Other expenses | 27 | 8,704.614 | 10,458.860 |
| Total Expenses | | 19,566.537 | 15,959.033 |
| Profit before tax | | 1,274.249 | 502.298 |
| Tax expense: | 28 | | |
| (1) Current tax | | (370.159) | (126.000) |
| (2) Short/(Excess) Provision of Tax for Earlier Years | | - | - |
| (3) Deferred tax | | (21.727) | 4.508 |
| Total tax expense | | (391.886) | (121.492) |
| Profit after tax | | 882.363 | 380.806 |
| Other comprehensive income | | | |
| (i) Items that will not be reclassified to profit or loss | | | |
| -Re-measurement of defined benefit plan | | - | - |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | | - | - |
| Other comprehensive income | | - | - |
| Total comprehensive income for the Year | | 882.363 | 380.806 |
| Earnings per equity share (Face value per share Rs.10/-) Basic and Diluted | 29 | 3.711 | 1.266 |
| Summary of Significant accounting policies | 2 & 3 | | |

The accompanying notes are an integral part of the financial statements.

As per our report of even date.

For Amit Ray & Company
Chartered Accountants
Firm Registration No.000483C

Sd/-

Nag Bhushan Rao
Partner
Membership No. 073144
UDIN: 24073144BKBJOA8982

For and on behalf of the Board of Directors

Sd/-

Murari Mallawat
Whole Time Director
DIN: 08809840

Sd/-

Rajpradeep Mahavirprasad Agrawal
Whole Time Director
DIN: 09142752

Sd/-

Raji Jaikumar Panicker

Company Secretary

Sd/-

Gazala Mohammed Irfan Kolsawala

CFO

Place : Mumbai

Date : 30.05.2024

ARNOLD HOLDINGS LIMITED

CIN : L65993MH1981PLC282783

Statement of changes in equity for the year ended March 31, 2024

(₹ in lakhs)

A. Equity share capital

| Particulars | Balance at the beginning of the year | Changes in equity share capital due to prior period errors | Restated balance at the beginning | Changes in equity share capital during the year | Balance at the end of the year |
|----------------------|--------------------------------------|--|-----------------------------------|---|--------------------------------|
| As at March 31, 2023 | 3,007.500 | - | - | - | 3,007.500 |
| As at March 31, 2024 | 3,007.500 | - | - | (630.000) | 2,377.500 |

B. Other equity

| Particulars | Reserves and surplus | | | | | | Retained earnings | Total other equity |
|--|----------------------|-------------------|--|---|------------------|------------------|-------------------|--------------------|
| | Capital Reserve | Statutory Reserve | Special Reserve under Section 45-IC of the Reserve Bank of India Act, 1934 | Provision Against Standard Asset @ 0.25% of Loans and Advances. | General Reserve | | | |
| As at April 1, 2022 | 10.526 | 0.114 | 170.197 | 136.775 | 1,782.643 | 452.130 | 2,552.385 | |
| Profit for the year | - | - | - | - | - | 380.806 | 380.806 | |
| Other comprehensive income | - | - | - | - | - | - | - | |
| Total comprehensive income for the year | - | - | - | - | - | 380.806 | 380.806 | |
| Transfer to special reserve | - | - | - | - | - | (107.239) | (107.239) | |
| Additions | - | - | 73.530 | 33.709 | - | - | 107.239 | |
| As at March 31, 2023 | 10.526 | 0.114 | 243.727 | 170.484 | 1,782.643 | 725.697 | 2,933.191 | |
| Profit for the year | - | - | - | - | - | 882.363 | 882.363 | |
| Other comprehensive income | - | - | - | - | - | - | - | |
| Total comprehensive income for the year | - | - | - | - | - | 882.363 | 882.363 | |
| Transfer to special reserve | - | - | - | - | (693.000) | (220.440) | (913.440) | |
| Additions | - | - | 180.820 | 32.810 | - | - | 213.630 | |
| As at March 31, 2024 | 10.526 | 0.114 | 424.547 | 203.294 | 1,089.643 | 1,387.620 | 3,115.744 | |

Summary of Significant accounting policies (Refer Note 2 & 3)

The accompanying notes are integral part of these financial statements.

As per our report of even date.

 For Amit Ray & Company
 Chartered Accountants
 Firm Registration No.000483C

Sd/-

 Nag Bhushan Rao
 Partner
 Membership No. 073144
 UDIN: 24073144BKBJOA8982

 Place : Mumbai
 Date : 30.05.2024

For and on behalf of the Board of Directors

Sd/-

 Murari Mallawat
 Whole Time Director
 DIN: 08809840

 Sd/-
 Raji Jaikumar Panicker
 Company Secretary

Sd/-

 Rajpradeep Mahavirprasad Agrawal
 Whole Time Director
 DIN: 09142752

 Sd/-
 Gazala Mohammed Irfan Kolsawala
 CFO

ARNOLD HOLDINGS LIMITED

CIN : L65993MH1981PLC282783

Cash Flow Statement for the year ended March 31, 2024

(₹ in lakhs)

| Particulars | Year Ended March 31, 2024 | Year Ended March 31, 2023 |
|--|------------------------------|------------------------------|
| CASH FLOW FROM OPERATING ACTIVITIES : | | |
| Profit before tax: | 1,274.249 | 502.298 |
| Adjustments : | | |
| Depreciation and amortisation | 212.791 | 82.484 |
| Interest income on bank deposit | - | - |
| Interest expense on bank borrowing and debt securities | 523.020 | 632.941 |
| Lease rental paid | - | - |
| Impairment on financial instruments | 141.925 | 212.453 |
| Operating profit before working capital changes | 2,151.985 | 1,430.176 |
| Operational cash flow from interest | | |
| Interest income on bank deposit | - | - |
| Interest Income on security deposit and rebate to renters | | |
| Interest expense on bank borrowing and debt securities | | |
| Adjustments for (increase)/ decrease in operating assets: | | |
| Inventory | (272.987) | (606.263) |
| Trade receivables | (22.982) | 46.033 |
| Bank balance other than cash and cash equivalents | | |
| Other financial assets | (0.438) | (18.282) |
| Other non financial assets | (125.343) | 13.156 |
| Adjustments for increase/ (decrease) in operating liabilities | | |
| Trade payables | 1,492.615 | (966.928) |
| Other payables | - | 3.406 |
| Provisions | - | - |
| Other financial liabilities | 180.980 | (132.889) |
| Other non financial liabilities | 51.824 | - |
| Cash generated from operations | 3,455.654 | (231.591) |
| Less : Income taxes (paid) / net of refund | (370.159) | (126.000) |
| Less : Dividend Received | (22.033) | (31.676) |
| Net cash outflow from operating activities | 3,063.462 | (389.267) |
| CASH FLOW FROM INVESTING ACTIVITIES : | | |
| Purchase of Property, plant and equipments and Intangibles under development | (388.024) | (507.868) |
| Cash advances and loans received back | 310.789 | (225.459) |
| Sale/(Purchase) of Investment | (1,284.717) | (71.914) |
| Dividend Received | 22.033 | 31.676 |
| Net cash flow (used in) from investing activities | (1,339.919) | (773.565) |

ARNOLD HOLDINGS LIMITED

CIN : L65993MH1981PLC282783

Cash Flow Statement for the year ended March 31, 2024

(₹ in lakhs)

| Particulars | Year Ended March 31, 2024 | Year Ended March 31, 2023 |
|--|------------------------------|------------------------------|
| CASH FLOW FROM FINANCING ACTIVITIES : | | |
| Proceeds from bank borrowings | (1,276.250) | 3,596.074 |
| (Repayment) of bank borrowings | - | - |
| Proceeds from issue of equity share capital (Including securities premium) | - | - |
| Proceeds from Buy Back of Shares | (630.000) | - |
| Other Financing Outflow | (229.145) | - |
| Interest expense on bank borrowing and debt securities | (523.020) | (632.941) |
| Proceeds from Inter corporate deposit | - | - |
| (Repayment) of Inter corporate deposit | - | - |
| Net cash flow (used in) from financing activities | (2,658.415) | 2,963.133 |
| NET INCREASE/(DECREASE) IN CASH AND BANK BALANCES (A+B+C) | (934.873) | 1,800.299 |
| Cash and cash equivalents at beginning of the year | 1,828.921 | 28.622 |
| Cash and cash equivalents at end of the year | 894.048 | 1,828.921 |
| Cash Surplus/ (Deficit) for the year | (934.873) | 1,800.299 |
| Components of Cash and Cash Equivalents | | |
| Cash on hand | 1.076 | 2.406 |
| Balance with banks: | | |
| - In current accounts | 892.972 | 1,826.516 |
| - In fixed deposits | | |
| | 894.048 | 1,828.921 |

Summary of Significant accounting policies (Refer Note 2 & 3)

The accompanying notes are integral part of these financial statements.

As per our report of even date.

For Amit Ray & Company
Chartered Accountants
Firm Registration No.000483C

For and on behalf of the Board of Directors

Sd/-

Nag Bhushan Rao
Partner
Membership No. 073144
UDIN: 24073144BKBJOA8982

Sd/-

Murari Mallawat
Whole Time Director
DIN: 08809840

Sd/-

Rajpradeep Mahavirprasad Agrawal
Whole Time Director
DIN: 09142752

Place : Mumbai

Date : 30.05.2024

Sd/-

Raji Jaikumar Panicker
Company Secretary

Sd/-

Gazala Mohammed Irfan Kolsawala
CFO

Arnold Holding Limited

Notes forming part of Financial Statements

1. Corporate information

Arnold Holdings Ltd. is a public Limited NBFC Company incorporated in 1981 listed on BSE Ltd. The company is engaged in the field of Corporate Finance, Infrastructure Finance, Mortgage and Gold Loans, Capital Market.

Arnold has been seasoned provider of private equity to companies across sectors. Arnold private equity practice has led investments across range of sector- pharmaceutical research, high-end telecom technology, product development, media production services, technology, textiles, drug, manufacturing, construction, processed foods, components and tool fabrication and real estate.

2. Basis of Preparation of Financial Statements

a). **Compliance with Ind AS**

These financial statements have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and relevant provisions of the Companies Act, 2013 ("the Act").

b). **Historical cost convention**

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities that are measured at fair value, defined benefit plans - plan assets measured at fair value

3 Summary of significant accounting policies

i. **Use of estimates and judgements**

The preparation of the Company's standalone financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future years.

Estimates and assumptions

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and future periods are affected. The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

ii. **Revenue Recognition:**

Income and expenditure are recognized and accounted on accrual basis as and when they are earned or incurred. Revenue from sales transaction is recognized as and when the significant risk and reward attached to ownership in the goods is transferred to the buyer.

Revenue from sale of goods is recognized on completion of sale of goods and is recorded net of trade discount and rebates and GST is accounted for on exclusive accounting method which does not get included in Sales.

iii. **Impairment of Assets**

An impairment loss is charged to the Statement of profit and loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount. During the year, there is no impairment of assets and accordingly no provision has been made in this regard.

iv. **Cash & Cash Equivalents:**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are term deposit balances, highly liquid investments that are readily convertible into known amounts of cash and which are subject to in significant risk of changes in value.

v. **Inventories:**

Arnold Holding Limited

Notes forming part of Financial Statements

The inventories of equity shares have been valued at Cost.

vi. Property, plant and equipment

Items of Property, plant and equipment acquired or constructed are initially recognized at historical cost net of recoverable taxes, duties, trade discounts and rebates, less accumulated depreciation and impairment loss, if any. The historical cost of Property, plant and equipment comprises of its purchase price, borrowing costs and adjustment arising for exchange rate variations attributable to the assets, including any cost directly attributable to bringing the assets to their working condition for their intended use.

Capital Work-in-Progress represents Property, plant and equipment that are not ready for their intended use as at the reporting date.

"The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the assets to a working condition and location for their intended use, and the initial estimate of dismantling and removing the items and restoring the site on which they are located and borrowing costs. Expenses directly attributable to construction of property, plant and equipment incurred till they are ready for their intended use are identified and allocated on a systematic basis to the cost of related assets. Deposit works/cost plus contracts are accounted for on the basis of statements of account received from the contractors.

Unsettled liabilities for price variation/exchange rate variation in case of contracts are accounted for on estimated basis as per terms of the contracts."

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

The Company identifies and determines cost of each component/part of the plant and equipment separately, if the component/part has a cost which is significant to the total cost of the plant and equipment and has useful lives that is materially different from that of the remaining plant and equipment.

The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the year in which they are incurred.

Gains and losses arising from de-recognition of PPE are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognized as at April 1, 2018 measured as per the previous GAAP and use that carrying value as the deemed cost of the Property, plant and equipment.

Depreciation method

Depreciation on Fixed Assets is provided to the extent of depreciable amount on the Written down Value (WDV) Method/SLM method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

vii. Intangible Assets

Intangible assets are stated at cost of acquisition net of recoverable taxes, trade discounts and rebates less accumulated amortization/depletion and impairment loss, if any. Such cost includes purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use, net changes on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit & loss when the asset is derecognized.

Arnold Holding Limited

Notes forming part of Financial Statements

viii. Provisions and contingent liabilities

Provisions

Provisions are recognized when there is a present legal or constructive obligation as a result of a past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation.

Contingencies

Contingent liabilities are disclosed in the Notes to the financial statements. Contingent liabilities are disclosed for: -
- when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, or
- a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

The company has filed and contesting appeals before CIT(A), Kolkata against the Assessment orders u/s 143(3) of Income Tax Act, 1961 in the case of erstwhile transferor companies which were merged in the company pursuant to Order of Hon'ble High Court, Kolkata. The demand raised by the department as informed by the Management of the Company for the Asst. Year 2007-2008 is Rs. 79.25 Lacs. The Management is confident to get the relief from the Appellate Authorities.

ix. Cash flow statement:

Cash flows are reported using the indirect method prescribed in Ind AS 7 'Statement of Cash Flows', where by profit/(loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

x. Loan, Advances & Security Deposit

Loans and Advances are considered good in respect of which company does not hold any security other than the personal guarantee of persons.

Balances of Loans and Advances, Debtors, Creditor, Banks are subject to confirmation and reconciliation.

xi. Accounting for Indirect Taxes (GST)

The Company is recording sales and purchases on exclusive method and GST are not passed through the profit and Loss accounts of the company. The Effect of Indirect Taxes (GST) on Sales will be as = Gross Sales (-) GST = Net Sales

xii. Break-Up of auditors remuneration:

| Particulars | Current Year Amount (₹) | Previous Year Amount (₹) |
|-----------------|-------------------------|--------------------------|
| Statutory Audit | 50,000 | 50,000 |
| Total | 50,000 | 50,000 |

xiii. Significant Judgements and Estimates

The preparation of the Company's financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the reported amount of assets, liabilities, revenue, expenses, and the accompanying disclosures and the disclosures of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The estimates and associates' assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances existing when financial statements were prepared. These estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognized in the year in which the estimates are revised and in any future year affected.

xiv. Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation at the reporting date, which may cause material adjustment to the carrying amounts of assets and liabilities within the next financial year. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about

Arnold Holding Limited

Notes forming part of Financial Statements

future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

The areas involving critical estimates and judgements are:

- Useful lives of Property, plant and equipment and intangibles
- Measurement of defined benefit obligations
- Provision for inventories
- Measurement and likelihood of occurrence of provisions and contingencies
- Impairment of trade receivables
- Deferred Taxes

xv. Dividend:

The Company has not paid and declared any dividend to the public shareholders.

As per our report of even date.

For Amit Ray & Co.

Chartered Accountants

Sd/-

Nag Bhushan Rao

Partner

Mem. No. 073144

FRN No. 000483C

UDIN: 24073144BKBJOA8982

Sd/-

Murari Mallawat

Whole Time Director

DIN: 08809840

Sd/-

Rajpradeep Mahavirprasad Agrawal

Whole Time Director

DIN: 09142752

Place: -Mumbai

Date: - 30.05.2024

Sd/-

Raji Jaikumar Panicker

Company Secretary

Sd/-

Gazala Mohammed Irfan Kolsawala

C.F.O.

ARNOLD HOLDINGS LIMITED

CIN : L65993MH1981PLC282783

Notes forming part of the financial statements as at March 31, 2024

(₹ in lakhs)

Note 4(a) - Cash and Cash Equivalents

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---------------------------------------|-------------------------|-------------------------|
| Cash In Hand | 1,076 | 2,406 |
| Balances with Bank in Current Account | 892,972 | 1,826,516 |
| Total | 894,048 | 1,828,921 |

Note 4(b) - Bank balance other than Cash and Cash Equivalents above

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--------------|-------------------------|-------------------------|
| | - | - |
| Total | - | - |

Note 4(c) - Investments

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|-------------------------|-------------------------|-------------------------|
| Fixed deposit with Bank | 2,264,977 | 980,260 |
| Total | 2,264,977 | 980,260 |

Note 5 - Trade Receivables

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| Trade receivables (Gross) - Amortised Cost | 41,523 | 18,541 |
| | 41,523 | 18,541 |
| Secured - Considered good | - | - |
| Unsecured - Considered good | 41,523 | 18,541 |
| Receivables which have significant increase in Credit Risk | - | - |
| Receivables - credit impaired | - | - |
| Total - Gross | 41,523 | 18,541 |
| (Less): Impairment loss allowance | - | - |
| Total - Net | 41,523 | 18,541 |

Ageing of Trade receivables as at March 31, 2024

| Particulars | Less than 6 months | 6 months - 1 year | 1 - 2 Years | 2 - 3 Years | More than 3 years | Total |
|--|-----------------------|----------------------|-------------|-------------|-------------------|---------------|
| (i) Undisputed Trade receivables - Considered good | 41,523 | - | - | - | - | 41,523 |
| (ii) Undisputed Trade receivables - Which have significant increase in credit risk | - | - | - | - | - | - |
| (iii) Undisputed Trade receivables - Credit impaired | - | - | - | - | - | - |
| (iv) Disputed Trade receivables - Considered good | - | - | - | - | - | - |
| (v) Disputed Trade receivables - Which have significant increase in credit risk | - | - | - | - | - | - |
| (vi) Disputed Trade receivables - Credit impaired | - | - | - | - | - | - |
| Total | 41,523 | - | - | - | - | 41,523 |

Ageing of Trade receivables as at March 31, 2023

| Particulars | Less than 6 months | 6 months - 1 year | 1 - 2 Years | 2 - 3 Years | More than 3 years | Total |
|--|-----------------------|----------------------|-------------|-------------|-------------------|---------------|
| (i) Undisputed Trade receivables - Considered good | 18,541 | - | - | - | - | 18,541 |
| (ii) Undisputed Trade receivables - Which have significant increase in credit risk | - | - | - | - | - | - |
| (iii) Undisputed Trade receivables - Credit impaired | - | - | - | - | - | - |
| (iv) Disputed Trade receivables - Considered good | - | - | - | - | - | - |
| (v) Disputed Trade receivables - Which have significant increase in credit risk | - | - | - | - | - | - |
| (vi) Disputed Trade receivables - Credit impaired | - | - | - | - | - | - |
| Total | 18,541 | - | - | - | - | 18,541 |

Note 6 - Loans

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---------------------------------------|-------------------------|-------------------------|
| Loans at amortised cost | | |
| Loans | 7,993,660 | 8,304,450 |
| Total - Gross* | 7,993,660 | 8,304,450 |
| (Less): Impairment loss allowance | - | - |
| Total - Net | 7,993,660 | 8,304,450 |
| Secured by tangible assets | - | - |
| Unsecured | 7,993,660 | 8,304,450 |
| Total - Gross | 7,993,660 | 8,304,450 |
| (Less): Impairment loss allowance | - | - |
| Total - Net | 7,993,660 | 8,304,450 |
| Loans in India | - | - |
| - Public sector | - | - |
| - Others | 7,993,660 | 8,304,450 |
| Loans within India - Gross | 7,993,660 | 8,304,450 |
| (Less): Impairment loss allowance | - | - |
| Loans within India -Net - (A) | 7,993,660 | 8,304,450 |
| Loans Outside India | - | - |
| (Less): Impairment loss allowance | - | - |
| Loans Outside India -Net - (B) | - | - |
| Total - Net [(A) + (B)] | 7,993,660 | 8,304,450 |

ARNOLD HOLDINGS LIMITED

CIN : L65993MH1981PLC282783

Notes forming part of the financial statements as at March 31, 2024 (Continued)

(₹ in lakhs)

Note 7 - Other Financial Assets

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|-------------------|-------------------------|-------------------------|
| Security deposits | 26.520 | 26.082 |
| Total | 26.520 | 26.082 |

Note 8 - Inventory

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|-----------------------|-------------------------|-------------------------|
| Shares And Securities | 2,379.550 | 2,106.563 |
| Total | 2,379.550 | 2,106.563 |

Note 9 - Current tax Liabilities/ Assets

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| Advance Tax and Tax deducted at source | - | - |
| Less: Provision for tax | - | - |
| Total Receivable / (Payable) | - | - |

Note 10 - Deferred tax liabilities/ (Assets)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| Deferred Tax Assets (Gross) | - | (6.811) |
| Deferred Tax Liabilities (Gross) | 21.727 | - |
| Net Deferred Tax Asset/(Liability) | 21.727 | (6.811) |

ARNOLD HOLDINGS LIMITED

CIN : L65993MH1981PLC282783

Notes forming part of the financial statements as at March 31, 2024 (Continued)

(₹ in lakhs)

Note 11 - Property, Plant and Equipment and Intangible Assets

| FY 2023-24 | GROSS BLOCK | | | | DEPRECIATION / AMORTISATION | | | | NET BLOCK | |
|--|-------------------------|---------------|---------------------------|-------------------------|-----------------------------|--|----------------------------|-------------------------|-------------------------|-------------------------|
| | As at April 01, 2023 | Additions | Deletions/ Adjustments | As at March 31, 2024 | As at April 01, 2023 | For the year Year ended March 31, 2024 | Deductions/ Adjustments | As at March 31, 2024 | As at March 31, 2024 | As at March 31, 2023 |
| Property, Plant & Equipment | | | | | | | | | | |
| Laptop and Desktop | 1.226 | 22.283 | - | 23.509 | 0.186 | 2.220 | - | 2.406 | 21.103 | 1.040 |
| Mobile Phone | - | 0.381 | - | 0.381 | - | 0.106 | - | 0.106 | 0.275 | - |
| Furniture | 5.450 | 1.151 | - | 6.601 | 0.058 | 1.501 | - | 1.559 | 5.042 | 5.392 |
| Office equipments | - | 0.170 | - | 0.170 | - | 0.026 | - | 0.026 | 0.144 | - |
| Software | 485.000 | 58.774 | - | 543.774 | 79.419 | 208.937 | - | 288.356 | 255.418 | 405.581 |
| Tangible assets non-depreciable | | | | | | | | | | |
| Residential Property (FG) | | | | | | | | | | |
| FLAT NO D/303 GANESH APART | 9.043 | - | - | - | - | - | - | - | 9.043 | 9.043 |
| Commercial Property (FG) | | | | | | | | | | |
| SHOP NO A/19 MAHALAXMI APART | 4.088 | - | - | - | - | - | - | - | 4.088 | 4.088 |
| SHOP NO A/20 MAHALAXMI APART | 3.989 | - | - | - | - | - | - | - | 3.989 | 3.989 |
| SHOP NO A/21 MAHALAXMI APART | 3.241 | - | - | - | - | - | - | - | 3.241 | 3.241 |
| SHOP NO A/22 MAHALAXMI APART | 4.088 | - | - | - | - | - | - | - | 4.088 | 4.088 |
| SHOP NO A/23 MAHALAXMI APART | 3.153 | - | - | - | - | - | - | - | 3.153 | 3.153 |
| SHOP NO A/24 MAHALAXMI APART | 2.513 | - | - | - | - | - | - | - | 2.513 | 2.513 |
| SHOP NO A/25 MAHALAXMI APART | 3.402 | - | - | - | - | - | - | - | 3.402 | 3.402 |
| SHOP NO B/17 MAHALAXMI APART | 2.995 | - | - | - | - | - | - | - | 2.995 | 2.995 |
| SHOP NO B/18 MAHALAXMI APART | 3.938 | - | - | - | - | - | - | - | 3.938 | 3.938 |
| Total (a) | 532.126 | 82.759 | - | 574.434 | 79.662 | 212.791 | - | 292.453 | 322.433 | 452.464 |
| Intangible assets under development (b) | | | | | | | | | | |
| Total (a+b) | 532.126 | 82.759 | - | 574.434 | 79.662 | 212.791 | - | 292.453 | 322.433 | 452.464 |

ARNOLD HOLDINGS LIMITED

CIN : L65993MH1981PLC282783

Notes forming part of the financial statements as at March 31, 2024 (Continued)

| FY 2022-23 Particulars | GROSS BLOCK | | | | DEPRECIATION / AMORTISATION | | | | NET BLOCK | |
|--|------------------------|----------------|---------------------------|-------------------------|-----------------------------|--------------------------------------|----------------------------|-------------------------|-------------------------|-------------------------|
| | As at April 1, 2022 | Additions | Deletions/ Adjustments | As at March 31, 2023 | As at April 1, 2022 | For the year ended March 31, 2023 | Deductions/ Adjustments | As at March 31, 2023 | As at March 31, 2023 | As at March 31, 2022 |
| Property, Plant & Equipment | | | | | | | | | | |
| Laptop and Desktop | - | 1.226 | - | 1.226 | - | 0.186 | - | 0.186 | 1.040 | - |
| Mobile Phone | - | - | - | - | - | - | - | - | - | - |
| Furniture & Fixtures | - | 5.450 | - | 5.450 | - | 0.058 | - | 0.058 | 5.392 | - |
| Software | - | 485.000 | - | 485.000 | - | 79.419 | - | 79.419 | 405.581 | - |
| Tangible assets | | | | | | | | | | |
| Residential Property (FG) | | | | | | | | | | |
| FLAT NO D/303 GANESH APART | 9.992 | - | - | 9.992 | 0.487 | 0.463 | 0.950 | - | 9.043 | 9.506 |
| Commercial Property (FG) | | | | | | | | | | |
| SHOP NO A/19 MAHALAXMI APART | 4.518 | - | - | 4.518 | 0.220 | 0.209 | 0.429 | - | 4.088 | 4.298 |
| SHOP NO A/20 MAHALAXMI APART | 4.408 | - | - | 4.408 | 0.215 | 0.204 | 0.419 | - | 3.989 | 4.193 |
| SHOP NO A/21 MAHALAXMI APART | 3.581 | - | - | 3.581 | 0.174 | 0.166 | 0.340 | - | 3.241 | 3.406 |
| SHOP NO A/22 MAHALAXMI APART | 4.518 | - | - | 4.518 | 0.220 | 0.209 | 0.429 | - | 4.088 | 4.298 |
| SHOP NO A/23 MAHALAXMI APART | 3.484 | - | - | 3.484 | 0.170 | 0.161 | 0.331 | - | 3.153 | 3.314 |
| SHOP NO A/24 MAHALAXMI APART | 2.777 | - | - | 2.777 | 0.135 | 0.129 | 0.264 | - | 2.513 | 2.642 |
| SHOP NO A/25 MAHALAXMI APART | 3.759 | - | - | 3.759 | 0.183 | 0.174 | 0.357 | - | 3.402 | 3.576 |
| SHOP NO B/17 MAHALAXMI APART | 3.310 | - | - | 3.310 | 0.161 | 0.153 | 0.315 | - | 2.995 | 3.149 |
| SHOP NO B/18 MAHALAXMI APART | 4.351 | - | - | 4.351 | 0.212 | 0.202 | 0.413 | - | 3.938 | 4.139 |
| Total (a) | 44.698 | 491.676 | - | 536.374 | 2.177 | 81.733 | 4.248 | 79.662 | 452.464 | 42.521 |
| Intangible assets under development (b) | - | 45.202 | - | 45.202 | - | - | - | - | 45.202 | - |
| Total (a+b) | 44.698 | 536.878 | - | 581.576 | 2.177 | 81.733 | 4.248 | 79.662 | 497.666 | 42.521 |

| Intangible assets under development | Projects in progress | | Projects temporarily suspended | |
|-------------------------------------|-------------------------|-------------------------|--------------------------------|-------------------------|
| | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2024 | As at March 31, 2023 |
| Less than 1 year | - | 45.202 | - | - |
| 1 - 2 Years | - | - | - | - |
| 2 - 3 years | - | - | - | - |
| More than 3 years | - | - | - | - |
| Total | - | 45.202 | - | - |

ARNOLD HOLDINGS LIMITED

CIN : L65993MH1981PLC282783

Notes forming part of the financial statements as at March 31, 2024 (Continued)

(₹ in lakhs)

Note 12 - Other Non financial Assets

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|-----------------------------|-------------------------|-------------------------|
| Prepaid expenses | 7,809 | - |
| Accrued Interest Receivable | 13,741 | (6,200) |
| Appeal & Demands | 7,918 | 7,918 |
| Advance Tax | 100,000 | - |
| Tax Deducted at Source | 26,175 | 20,970 |
| Tds Recoverable | 0,279 | 1,076 |
| Total | 155,922 | 23,774 |

Note 13 - Payables

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| Trade Payables | | |
| a) Total outstanding dues of micro enterprises and small enterprises | - | - |
| b) Total outstanding dues of creditors other than micro enterprises and small enterprises | 2,097.727 | 463.187 |
| Other payables | | |
| a) Total outstanding dues of micro enterprises and small enterprises | - | - |
| b) Total outstanding dues of creditors other than micro enterprises and small enterprises | - | - |
| Total | 2,097.727 | 463.187 |

Ageing of Trade and other payables as at March 31, 2024

| Particulars | Less than 6 months | 6 months - 1 year | 1 - 2 Years | 2 - 3 Years | More than 3 years | Total |
|-------------------------------|-----------------------|----------------------|-------------|-------------|-------------------|------------------|
| (i) Undisputed Dues - MSME | - | - | - | - | - | - |
| (ii) Undisputed Dues - Others | 2,097.727 | - | - | - | - | 2,097.727 |
| (iii) Disputed Dues - MSME | - | - | - | - | - | - |
| (iv) Disputed Dues - Others | - | - | - | - | - | - |
| Total | 2,097.727 | - | - | - | - | 2,097.727 |

Ageing of Trade and other payables as at March 31, 2023

| Particulars | Less than 6 months | 6 months - 1 year | 1 - 2 Years | 2 - 3 Years | More than 3 years | Total |
|-------------------------------|-----------------------|----------------------|-------------|-------------|-------------------|----------------|
| (i) Undisputed Dues - MSME | - | - | - | - | - | - |
| (ii) Undisputed Dues - Others | 463.187 | - | - | - | - | 463.187 |
| (iii) Disputed Dues - MSME | - | - | - | - | - | - |
| (iv) Disputed Dues - Others | - | - | - | - | - | - |
| Total | 463.187 | - | - | - | - | 463.187 |

Note 14 - Borrowings (Other than debt securities) - at amortised cost

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|------------------------------------|-------------------------|-------------------------|
| Unsecured Loans | | |
| (a) Loans Repayable on Demand: | | |
| From Banks | - | - |
| Other than banks | 6,010.881 | 7,286.631 |
| Cash Credit from Bank | - | - |
| Secured Loan | | |
| Bank Balance | (0.500) | - |
| Total (A) | 6,010.381 | 7,286.631 |
| Borrowings in India | 6,010.381 | 7,286.631 |
| Borrowings outside India | - | - |
| Total (B) | 6,010.381 | 7,286.631 |
| Maturity pattern of Loans - | | |
| Repayable within 1 year | 102.410 | 4,136.630 |
| Repayable between 1-3 years | 5,907.970 | 3,150.000 |
| Repayable between 3-5 years | - | - |
| Total | 6,010.380 | 7,286.630 |

ARNOLD HOLDINGS LIMITED

CIN : L65993MH1981PLC282783

Notes forming part of the financial statements as at March 31, 2024 (Continued)

The interest cost for the above loans are in the range of 12.00 % p.a. - 15.00% p.a.

The borrowings from banks and Other institutions have not been used for any purpose other than for which it has been taken.

ARNOLD HOLDINGS LIMITED

CIN : L65993MH1981PLC282783

Notes forming part of the financial statements as at March 31, 2024 (Continued)

Net debt reconciliation

Analysis of net debt and the movements in net debt for each of the periods is presented as follows:

| Particulars | Net debt as at April 01, 2023 | Net Movement | Net debt as at March 31, 2024 |
|---------------------------------------|-------------------------------|------------------|-------------------------------|
| Borrowings other than debt securities | - | 6,010.381 | 6,010.381 |
| Total | - | 6,010.381 | 6,010.381 |

| Particulars | Net debt as at April 01, 2022 | Net Movement | Net debt as at March 31, 2023 |
|---------------------------------------|-------------------------------|------------------|-------------------------------|
| Borrowings other than debt securities | 3,690.557 | 3,596.074 | 7,286.631 |
| Total | 3,690.557 | 3,596.074 | 7,286.631 |

Note 15 - Other financial liabilities

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|----------------------|----------------------|
| Provision for employee benefit expenses | - | - |
| Provision for Expenses | - | - |
| Other financial liabilities | (220.882) | (401.862) |
| Total | (220.882) | (401.862) |

Note 16 - Provisions

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|----------------------|----------------------|
| Impairment loss allowance on Micro Loans | 166.548 | 202.452 |
| Provision for TDS on Contractor | (0.193) | (1.420) |
| Provision for TDS on Professional 194J | (2.753) | 113.420 |
| Provision for TDS on Interest Paid 194A | (0.217) | 8.040 |
| Provision TDS on Rent | (0.136) | 1.330 |
| Provision TDS on Commision paid | (8.744) | 9.390 |
| Provision TDS on Salary | 3.593 | 0.950 |
| Provision for Income Tax (A.Y. 2024-25) | 370.159 | - |
| Provision for Income Tax (A.Y. 2023-24) | - | 126.000 |
| Provision for Expenses Micro Loan | 114.555 | 40.730 |
| Total | 642.813 | 500.892 |

Note 17 - Other non financial liabilities

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|----------------------|----------------------|
| Other payables | 16.695 | - |
| Directors Remunerations Payable | 1.650 | - |
| PF Payable | 1.115 | 0.660 |
| ESIC Payable | - | 0.010 |
| Meal Allowances | - | 0.020 |
| Professional Tax Payable | - | 0.060 |
| Provisions for employee benefits | | |
| Gratuity | 6.152 | - |
| Bonus Payable | - | 2.780 |
| Leave Encashment | 8.012 | - |
| Total | 33.623 | 3.530 |

ARNOLD HOLDINGS LIMITED

CIN : L65993MH1981PLC282783

Notes forming part of the financial statements as at March 31, 2024 (Continued)

(₹ in lakhs)

Note 18 - Equity Share Capital

| Particulars | As at March 31, 2024 | | As at March 31, 2023 | |
|---|----------------------|-----------------|----------------------|-----------------|
| | Number | Rs. | Number | Rs. |
| Authorised shares 500.00 Lakhs (Previous year 500.00 Lakhs) Equity Shares of the face value of Rs.10 each | 5,00,00,000 | 5,000.00 | 5,00,00,000 | 5,000 |
| Issued, subscribed & fully paid-up shares 237.75 Lakhs (Previous year 300.75 Lakhs) Equity Shares fully paid up of Rs.10 each | 2,37,75,000 | 2,377.50 | 3,00,75,000 | 3,007.50 |
| Total | 2,37,75,000 | 2,377.50 | 3,00,75,000 | 3,007.50 |

a) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year

| Particulars | As at March 31, 2024 | | As at March 31, 2023 | |
|---|----------------------|-----------------|----------------------|-----------------|
| | Number (in Lakhs) | Rs. | Number (in Lakhs) | Rs. |
| Outstanding at the beginning of the year | 3,00,75,000 | 3,007.50 | 3,00,75,000 | 3,007.50 |
| Buy Back of Shares | (63,00,000) | (630.00) | - | - |
| Add: Shares issued during the year | - | - | - | - |
| Outstanding at the end of the year | 2,37,75,000 | 2,377.50 | 3,00,75,000 | 3,007.50 |

b) Terms and rights attached to equity shares

- The company has only one class of equity shares having a par value of Rs. 10 per share. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of and equity shares holder in a poll (not on show of hand) are in proportion to its share of the paid-up equity capital of the company.

- During the year ended 31st March, 2024 the Company has not declared any dividend.

- On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the company, remaining after distribution of all preferential amounts in proportion to the number of equity share held.

c) Details of Shares held by holding/ ultimate holding company and/ or their subsidiaries / associates

NIL

Details of shares held by shareholders holding more

d) than 5% of the aggregate shares in the Company

| Name of shareholder | As at March 31, 2024 | | As at March 31, 2023 | |
|--|----------------------|--------------|----------------------|--------------|
| | Number | % of Holding | Number | % of Holding |
| Keemtee Financial Services Limited | 33,92,926 | 14.27 | 25,54,665 | 8.49 |
| INT Infrastructure Private Limited | - | - | 15,56,011 | 5.17 |
| Premlata Ramesh Saraogi | - | - | 25,00,000 | 8.31 |
| Raudramukhi Commerce Private Limited | 38,32,017 | 16.12 | 28,04,764 | 9.33 |
| HARIVARDHAN STEEL & ALLOYS PRIVATE LIMITED | 20,65,500 | 8.69 | - | - |

e) Details of shares held by promoters - Shares held by the promoters :

Shares held by the promoters as at March 31, 2024

| Name of shareholder | As at March 31, 2024 | | % Change during the year |
|--------------------------------------|----------------------|----------------------|--------------------------|
| | No. of Shares | % of of total shares | |
| Kailashchand N Mallawat | 6,000 | 0.025 | - |
| Keemtee Financial Services Limited | 33,92,926 | 14.271 | (32.81) |
| Mahendra Prasad Nathmal Mallawat Huf | 600 | 0.003 | - |
| Mamta K Mallawat | 30,000 | 0.126 | - |
| Manju Mahendra Mallawat | 37,800 | 0.159 | - |
| Monica M Mallawat | 1,46,460 | 0.616 | - |
| Nirmalkumar Nathmalji Mallawat | 600 | 0.003 | - |
| Pawankumar Nathmal Mallawat | 6,00,000 | 2.524 | - |
| Sandeep M Mallawat | 600 | 0.003 | - |
| Sarita Mahendra Mallawat | 6,000 | 0.025 | - |
| Varsha Pawan Mallawat | 6,00,000 | 2.524 | - |

ARNOLD HOLDINGS LIMITED

| | | | |
|--------------|------------------|---------------|--|
| Total | 48,20,986 | 20.279 | |
|--------------|------------------|---------------|--|

Shares held by the promoters as at March 31, 2023

| Name of shareholder | As at March 31, 2023 | |
|--------------------------------------|----------------------|----------------------|
| | No. of Shares | % of of total shares |
| Kailashchand N Mallawat | 6,000 | 0.020 |
| Keemtee Financial Services Limited | 25,54,665 | 8.494 |
| Mahendra Prasad Nathmal Mallawat Huf | 600 | 0.002 |
| Mamta K Mallawat | 30,000 | 0.100 |
| Manju Mahendra Mallawat | 37,800 | 0.126 |
| Monica M Mallawat | 1,46,460 | 0.487 |
| Nirmalkumar Nathmalji Mallawat | 600 | 0.002 |
| Pawankumar Nathmal Mallawat | 6,00,000 | 1.995 |
| Sandeep M Mallawat | 600 | 0.002 |
| Sarita Mahendra Mallawat | 6,000 | 0.020 |
| Varsha Pawan Mallawat | 6,00,000 | 1.995 |
| Total | 39,82,725 | 13.243 |

- f) Shares reserved for issue under options and contracts/commitments for the sale of shares or disinvestment, including the terms and amounts :
NIL
- g) The company has bought back 63 lac equity shares at Rs 21/- per share and Rs 13,23,00,000/- was paid to equity shareholders as consideration for buy back.
- h) Company's objectives, policies and processes for managing capital - Refer Note .

ARNOLD HOLDINGS LIMITED

CIN : L65993MH1981PLC282783

Notes forming part of the financial statements as at March 31, 2024 (Continued)

(₹ in lakhs)

Note 19 - Other equity

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| Capital Reserve | 10.526 | 10.526 |
| Statutory Reserve | 0.114 | 0.114 |
| Special Reserve under Section 45 IC of RBI Act, 1934 | 424.547 | 243.727 |
| Provision Against Standard Asset @ 0.25% of Loans and Advances. | 203.294 | 170.484 |
| General Reserve | 1,089.643 | 1,782.643 |
| Retained earnings | 1,387.620 | 725.697 |
| Total | 3,115.744 | 2,933.191 |

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| Capital Reserve | | |
| Opening balance | 10.526 | 10.526 |
| Add- Received during the year | - | - |
| Closing balance | 10.526 | 10.526 |
| Statutory Reserve | | |
| Opening balance | 0.114 | 0.114 |
| Add- Received during the year | - | - |
| Closing balance | 0.114 | 0.114 |
| Special Reserve under Section 45 IC of RBI Act, 1934 | | |
| Opening balance | 243.727 | 170.197 |
| Add: Transfer from Retained earnings | 180.820 | 73.530 |
| Closing balance | 424.547 | 243.727 |
| Provision Against Standard Asset @ 0.25% of Loans and Advances. | | |
| Opening balance | 170.484 | 136.775 |
| Add: Transfer from Retained earnings | 20.510 | 21.068 |
| Add: Prov. for Impairment Assest (ECL) | 12.300 | 12.641 |
| Less: Deletion during the year | - | - |
| Closing balance | 203.294 | 170.484 |
| General Reserve | | |
| Opening balance | 1,782.643 | 1,782.643 |
| Add: Transfer from Retained earnings | - | - |
| Less: Transferred to CRR for Buy Back | (693.000) | - |
| Less: Appropriation | - | - |
| Closing balance | 1,089.643 | 1,782.643 |
| Retained earnings | | |
| Opening balance | 725.697 | 452.130 |
| Add: Profit for the year | 882.363 | 380.806 |
| Add: Other comprehensive income for the year | - | - |
| Less: Contingent Provision Against Standard Assets | (20.510) | (21.068) |
| Less: Transfer to Special Reserve under Section 45 IC of RBI Act, 1934 | (180.820) | (73.530) |
| Less: Prov. for Impairment Assest (ECL) | (12.300) | (12.641) |
| Less: Transfer to General Reserve | - | - |
| Less: Deffered Tax Assets | (6.810) | - |
| Closing balance | 1,387.620 | 725.697 |
| Total | 3,115.744 | 2,933.191 |

Nature and purpose of the Reserves

a) Retained earnings

Retained earnings or accumulated surplus represents total of all profits retained since Company's inception. Retained earnings are credited with current year profits, reduced by losses, if any, dividend payouts, transfers to General reserve or any such other appropriations to specific reserves.

b) Special Reserve under Section 45 IC of RBI Act, 1934

This is a Statutory Reserve created in accordance with Section 45 IC(1) of the RBI Act, 1934 which requires the Company to transfer a specified sum (not less than 20% of its profit after tax) to Reserve Fund based on its net profit as per the profit and loss account. As per Section 45 IC(2) of the RBI Act, 1934, no appropriation of any sum from this reserve fund shall be made by the Company except for the purpose as may be specified by RBI.

ARNOLD HOLDINGS LIMITED

CIN : L65993MH1981PLC282783

Notes forming part of the financial statements for the year ended March 31, 2024 (Continued)

(₹ in lakhs)

Note 20 - Income from operations

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|------------------------------|------------------------------|------------------------------|
| Income | | |
| (a) Interest Income | 1,935.673 | 2,359.747 |
| (b) Dividend | 22.033 | 31.676 |
| (c) Sale of Securities | 8,500.435 | 2,526.792 |
| (d) Fees & Commission Income | 10,362.053 | 11,378.293 |
| Total | 20,820.193 | 16,296.507 |

Note 21 - Other income

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---------------------|------------------------------|------------------------------|
| Profit On Sale Flat | - | 37.404 |
| Other Income | 20.593 | 127.419 |
| Total | 20.593 | 164.823 |

Note 22 - Finance costs

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|-------------------|------------------------------|------------------------------|
| Interest on Loans | 523.020 | 632.941 |
| Total | 523.020 | 632.941 |

Note 23 - Impairment on financial instruments

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|--|------------------------------|------------------------------|
| On financial instruments measured at amortised cost: | | |
| Total | - | - |

Note 24 - Purchase of stock-in-trade

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|------------------------|------------------------------|------------------------------|
| Purchase of Securities | 6,799.942 | 3,247.604 |
| FNO Trading (Net) | 243.472 | (4.212) |
| Total | 7,043.414 | 3,243.392 |

Note 25 - Changes in inventories of finished goods

| Borrowings | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|------------------------------|------------------------------|
| Inventory at the end of the year | | |
| Traded Goods | 2,379.550 | 2,106.563 |
| Inventory at the beginning of the year | | |
| Traded Goods | 2,106.563 | 1,500.300 |
| (Increase)/decrease in inventories | | |
| Traded Goods | (272.987) | (606.263) |

ARNOLD HOLDINGS LIMITED

CIN : L65993MH1981PLC282783

Notes forming part of the financial statements for the year ended March 31, 2024 (Continued)

(₹ in lakhs)

Note 26 - Employee benefit expenses

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|------------------------------|------------------------------|
| Salaries, bonus and allowances | 250.311 | 131.796 |
| Director's Remuneration | 1.750 | 7.880 |
| Contribution to provident and other funds | 7.337 | 2.754 |
| Leave Encashment | 8.102 | - |
| Staff Commission | - | - |
| Gratuity (Refer Note) | 6.152 | - |
| Staff Welfare | 6.599 | 9.632 |
| Total | 280.251 | 152.059 |

Note 27 - Other expenses

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|------------------------------------|------------------------------|------------------------------|
| Technical Support Service | 3,612.243 | 3,181.379 |
| Professional & Consultancy Fees | 1,087.360 | 2,756.210 |
| Outsourcing & Back Office Expenses | 1,034.876 | 1,234.365 |
| Cloud Hosting Charges | 166.336 | 159.407 |
| Communication Expenses | 163.294 | 242.308 |
| Marketing & Promotion Expenses | 112.730 | 196.525 |
| Business Support Charges | 148.231 | 1,046.397 |
| Office Rent | 73.441 | 72.223 |
| Gateway Charges | 32.754 | 46.694 |
| Penal Charges | 94.096 | - |
| Share Transaction Expenses | 23.270 | 7.812 |
| Bank Charges | 22.656 | 30.763 |
| Office Expenses | 24.221 | 18.327 |
| Consumer Credit Report Charges | 15.461 | 0.150 |
| Repairs & Maintenance Charges | 7.506 | 2.222 |
| Travelling Expenses | 15.540 | 8.090 |
| Misc. Expenses | 7.290 | 27.155 |
| Advertising Expenses | 4.666 | 0.565 |
| Rates & taxes | 1,178.475 | 0.986 |
| Audit fees | 0.500 | 0.500 |
| FNO Trading Loss | 45.609 | - |
| Loan Processing Charges | 24.000 | - |
| Other Support Charges | - | 1,097.536 |
| Provision for expected credit loss | 48.301 | 174.406 |
| Financials assets written off | 555.524 | 154.845 |
| Equity Buy Back Share Expenses | 206.240 | - |
| Total | 8,704.614 | 10,458.860 |

Breakup of Auditors' remuneration (excluding GST)

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|-----------------|------------------------------|------------------------------|
| Statutory Audit | 0.500 | 0.500 |
| Other Service | - | - |
| Total | 0.500 | 0.500 |

ARNOLD HOLDINGS LIMITED

CIN : L65993MH1981PLC282783

Notes forming part of the financial statements for the year ended March 31, 2024 (Continued)

(₹ in lakhs)

Note 28 - Tax expense

a. The components of income tax expense for the year ended March 31, 2024 and March 31, 2023 are as under:

| | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| Current tax | (370.159) | (126.000) |
| Adjustment in respect of current income tax of prior years | - | - |
| Deferred tax | (21.727) | 4.508 |
| Total tax charge | (391.886) | (121.492) |
| Current tax | (370.159) | (126.000) |
| Deferred tax | (21.727) | 4.508 |

ARNOLD HOLDINGS LIMITED

CIN : L65993MH1981PLC282783

Notes forming part of the financial statements for the year ended March 31, 2024 (Continued)

(₹ in lakhs)

Note 29 - Earnings per share

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares of the Company.

The following reflects the income and share data used in the basic and diluted EPS computations:

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| Basic | | |
| Profit after tax (Rs.) | 882.363 | 380.806 |
| Weighted average no. of equity shares outstanding | 2,37,75,000 | 3,00,75,000 |
| Basic EPS (Rs) | 3.711 | 1.266 |
| Diluted | | |
| Profit after tax (Rs.) | 882.363 | 380.806 |
| Weighted average no. of equity shares outstanding | 2,37,75,000 | 3,00,75,000 |
| Diluted EPS (Rs) | 3.711 | 1.266 |
| Face value per share (Rs) | 10.000 | 10.000 |

Note 30 - Details of dues to Micro, Small and Medium Enterprises

Based on and to the extent of the information received by the Company from the suppliers during the year regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and relied upon by the auditors, there are no amounts due to MSME as at March 31, 2024.

The relevant particulars as at the year-end as required under the MSMED Act are not applicable for the financial year ending March 24

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end | - | - |
| Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end | - | - |
| Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year | - | - |
| Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year | - | - |
| Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year | - | - |
| Interest due and payable towards suppliers registered under MSMED Act, for payments already made | - | - |
| Further interest remaining due and payable for earlier years | - | - |

ARNOLD HOLDINGS LIMITED

CIN : L65993MH1981PLC282783

Notes forming part of the financial statements as at March 31, 2024 (Continued)

(₹ in lakhs)

Note 31 - Employee benefit plan

Disclosure in respect of employee benefits under Ind AS 19 - Employee Benefit are as under:

(a) Defined contribution plan

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans. The Company's contribution to provident fund aggregating Rs. 7.34 lakhs (March 31, 2023: Rs. 2.75 lakhs) has been recognised in the statement of profit and loss under the head employee benefits expense.

(b) Defined benefit plan:

Gratuity

The Company operates a defined benefit plan (the "gratuity plan") covering eligible employees. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age/ resignation date. Calculation of provision of gratuity is taken from the Actuarial Valuation Report of Gratuity for the financial Year 2023-24.

1. Table Showing Changes in Present Value of Obligations:

ARNOLD HOLDINGS LIMITED

CIN : L65993MH1981PLC282783

Notes forming part of the financial statements as at March 31, 2024 (Continued)

(₹ in lakhs)

| Period | As on: 31-03-2024 |
|--|-------------------|
| Present value of the obligation at the end of the period | 6,15,155 |

2. Key results (The amount to be recognized in the Balance Sheet):

| Period | As on: 31-03-2024 |
|--|-------------------|
| Present value of the obligation at the end of the period | 6,15,155 |
| Fair value of plan assets at end of period | - |
| Net liability/(asset) recognized in Balance Sheet and related analysis | 6,15,155 |
| Funded Status - Surplus/ (Deficit) | (6,15,155) |

3. Summary of membership data at the date of valuation and statistics based thereon:

| Period | As on: 31-03-2024 |
|---|-------------------|
| Number of employees | 33 |
| Total monthly salary | 11,83,950 |
| Average Past Service(Years) | 2 |
| Average Future Service (yrs) | 25 |
| Average Age(Years) | 33 |
| Weighted average duration (based on discounted cash flows) in years | 24 |
| Average monthly salary | 35,877 |

4. Actuarial assumptions provided by the company and employed for the calculations are tabulated:

| | |
|---|------------------|
| Discount rate | 7.25 % per annum |
| Salary Growth Rate | 5.00 % per annum |
| Mortality | IALM 2012-14 |
| Expected rate of return | - |
| Attrition / Withdrawal Rate (per Annum) | 10.00% p.a. |

5. Benefits valued:

| | |
|---|--|
| Normal Retirement Age | 58 Years |
| Salary | Last drawn qualifying salary |
| Vesting Period | 5 Years of service |
| Benefits on Normal Retirement | 15/26 * Salary * Past Service (yr). |
| Benefit on early exit due to death and disability | As above except that no vesting conditions |
| Limit | 20,00,000 |

6. Current Liability (*Expected payout in next year as per schedule III of the Companies Act, 2013) :

| Period | As on: 31-03-2024 |
|-----------------------------------|-------------------|
| Current Liability (Short Term)* | 2,027 |
| Non Current Liability (Long Term) | 6,13,128 |
| Total Liability | 6,15,155 |

7. Projection for next period:

| | |
|---|----------|
| Best estimate for contribution during next Period | 5,04,790 |
|---|----------|

8. Sensitivity Analysis: Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase rate. Effect of change in mortality rate is negligible. Please note that the sensitivity analysis presented below may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated. The results of sensitivity

| Period | As on: 31-03-2024 |
|--|---|
| Defined Benefit Obligation (Base) | 6,15,155 @ Salary Increase Rate : 5%, and |
| Liability with x% increase in Discount Rate | 5,73,037; x=1.00% [Change (7)%] |
| Liability with x% decrease in Discount Rate | 6,63,343; x=1.00% [Change 8%] |
| Liability with x% increase in Salary Growth Rate | 6,63,951; x=1.00% [Change 8%] |
| Liability with x% decrease in Salary Growth Rate | 5,71,804; x=1.00% [Change (7)%] |
| Liability with x% increase in withdrawal Rate | 6,02,172; x=1.00% [Change (2)%] |
| Liability with x% decrease in withdrawal Rate | 6,27,231; x=1.00% [Change 2%] |

Leave Encashment

The Company operates a defined benefit plan (the "Leave Encashment") covering eligible employees. Calculation of provision of leave encashment is taken from the Actuarial Valuation Report of Gratuity for the financial Year 2023-24.

1: Table Showing Changes in Present Value of Obligations:

| Period | As on: 31-03-2024 |
|--|-------------------|
| Present value of the obligation at the end of the period | 8,01,193 |

2: Key results (The amount to be recognized in the Balance Sheet):

| Period | As on: 31-03-2024 |
|--|-------------------|
| Present value of the obligation at the end of the period | 8,01,193 |
| Fair value of plan assets at end of period | - |
| Net liability/(asset) recognized in Balance Sheet and related analysis | 8,01,193 |
| Funded Status - Surplus/ (Deficit) | (8,01,193) |

3: Summary of membership data at the date of valuation and statistics based thereon:

| Period | As on: 31-03-2024 |
|---|-------------------|
| Number of employees | 33 |
| Total monthly salary | 11,83,950 |
| Average Past Service(Years) | 2 |
| Average Future Service (yrs) | 25 |
| Average Age(Years) | 33 |
| Total Leave With Cap/Without Cap | 798/798 |
| Total CTC / Availment Rate | 23,67,900 / 3% |
| Weighted average duration (based on discounted cash flows) in years | 24 |
| Average monthly salary | 35,877 |

4: Actuarial assumptions provided by the company and employed for the calculations are tabulated:

| | |
|--------------------|------------------|
| Discount rate | 7.25 % per annum |
| Salary Growth Rate | 5.00 % per annum |
| Mortality | IALM 2012-14 |

ARNOLD HOLDINGS LIMITED

CIN : L65993MH1981PLC282783

Notes forming part of the financial statements as at March 31, 2024 (Continued)

(₹ in lakhs)

| | |
|---|-------------|
| Expected rate of return | - |
| Attrition / Withdrawal Rate (per Annum) | 10.00% p.a. |

5 : Benefits valued:

| | |
|-------------------------------|--|
| Normal Retirement Age | 58 Years |
| Salary | As per rules of the company |
| Benefits on Normal Retirement | 1/30 * Salary * Number of leaves. |
| Benefit on early exit | As above, subject to rules of the company. |
| Benefit on death | As above, subject to rules of the company. |

6 : Current Liability (*Expected payout in next year as per schedule III of the Companies Act, 2013) :

| | |
|-----------------------------------|-------------------|
| Period | As on: 31-03-2024 |
| Current Liability (Short Term)* | 97,076 |
| Non Current Liability (Long Term) | 7,04,117 |
| Total Liability | 8,01,193 |

8 : Sensitivity Analysis: Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase rate. Effect of change in mortality rate is negligible. Please note that the sensitivity analysis presented below may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated. The results of sensitivity analysis are given below:

| | |
|--|----------------------------------|
| Period | As on: 31-03-2024 |
| Defined Benefit Obligation (Base) | 8,01,193 |
| Liability with x% increase in Discount Rate | 7,45,546; x=1.00% [Change (7)%] |
| Liability with x% decrease in Discount Rate | 8,64,944; x=1.00% [Change 8%] |
| Liability with x% increase in Salary Growth Rate | 8,65,745; x=1.00% [Change 8%] |
| Liability with x% decrease in Salary Growth Rate | 7,43,918; x=1.00% [Change (7)%] |
| Liability with x% increase in withdrawal Rate | 8,11,338; x=1.00% [Change 1%] |
| Liability with x% decrease in withdrawal Rate | 7,89,818; x=1.00% [Change (1)%] |

ARNOLD HOLDINGS LIMITED

CIN : L65993MH1981PLC282783

Notes forming part of the financial statements as at March 31, 2024 (Continued)

(₹ in lakhs)

Note 32 - Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

| | As at March 31, 2024 | | | As at March 31, 2023 | | |
|---|----------------------|------------------|-------------------|----------------------|------------------|-------------------|
| | Within 12 months | After 12 months | Total | Within 12 months | After 12 months | Total |
| ASSETS | | | | | | |
| Financial assets | | | | | | |
| Cash and cash equivalents | 894.048 | - | 894.048 | 1,828.921 | - | 1,828.921 |
| Bank balance other than above | - | - | - | - | - | - |
| Investments | 2,264.980 | - | 2,264.980 | 980.260 | - | 980.260 |
| Receivables | | | | | | |
| (i) Trade receivables | 41.523 | - | 41.523 | 18.541 | - | 18.541 |
| Loans | - | 7,993.660 | 7,993.660 | - | 8,304.450 | 8,304.450 |
| Other financial assets | - | 26.520 | 26.520 | - | 26.082 | 26.082 |
| Total Financial assets (A) | 3,200.551 | 8,020.180 | 11,220.732 | 2,827.722 | 8,330.532 | 11,158.254 |
| Non-financial assets | | | | | | |
| Inventory | 2,379.550 | - | 2,379.550 | 2,106.563 | - | 2,106.563 |
| Current tax assets (Net) | - | - | - | - | - | - |
| Deferred tax assets (Net) | - | - | - | 6.811 | - | 6.811 |
| Property, plant and equipment | - | 322.433 | 322.433 | - | 46.883 | 46.883 |
| Other Intangible assets | - | - | - | - | - | - |
| Intangible assets under development | - | 255.418 | 255.418 | - | 450.781 | 450.781 |
| Other non-financial assets | 148.004 | 7.918 | 155.922 | 15.846 | 7.918 | 23.764 |
| Total Non-financial assets (B) | 2,527.554 | 585.769 | 3,113.323 | 2,129.220 | 505.582 | 2,634.802 |
| Total assets (A+B) | 5,728.105 | 8,605.950 | 14,334.055 | 4,956.942 | 8,836.114 | 13,793.056 |
| LIABILITIES | | | | | | |
| Financial liabilities | | | | | | |
| Trade payables | | | | | | |
| (i) Total outstanding dues of micro enterprises and small enterprises | - | - | - | - | - | - |
| (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises | 2,097.727 | - | 2,097.727 | 463.187 | - | 463.187 |
| Other payables | | | | | | |
| (i) Total outstanding dues of micro enterprises and small enterprises | - | - | - | - | - | - |
| (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises | - | - | - | - | - | - |
| Borrowings (other than debt securities) | 102.410 | 5,907.971 | 6,010.381 | 4,136.630 | 3,150.000 | 7,286.630 |
| Other financial liabilities | - | (220.882) | (220.882) | - | (401.862) | (401.862) |
| Total Financial liabilities | 2,200.137 | 5,687.089 | 7,887.226 | 4,599.817 | 2,748.138 | 7,347.955 |
| Non-financial liabilities | | | | | | |
| Current tax liabilities (Net) | - | - | - | - | - | - |
| Provisions | 642.813 | - | 642.813 | 500.892 | - | 500.892 |
| Deferred tax liabilities (Net) | 21.727 | - | 21.727 | - | - | - |
| Other non-financial liabilities | - | 33.623 | 33.623 | - | 3.530 | 3.530 |
| Total Non-financial liabilities | 664.540 | 33.623 | 698.164 | 500.892 | 3.530 | 504.422 |
| Total liability | 2,864.678 | 5,720.712 | 8,585.390 | 5,100.710 | 2,751.668 | 7,852.377 |
| Net | 2,863.428 | 2,885.238 | 5,748.665 | (143.767) | 6,084.446 | 5,940.679 |

Note 33 - Segment Reporting

The Company is exclusively engaged in the business of financial activities which includes trading and investment in shares, granting of loans, etc., since the nature of these business are exposed to similar risks and return profiles, hence they are collectively operating under a single segment. Accordingly the Company does not have any reportable Segments as per Indian Accounting Standard 108 "Operating Segments".

ARNOLD HOLDINGS LIMITED

CIN : L65993MH1981PLC282783

Notes forming part of the financial statements for the year ended March 31, 2024 (Continued)

(₹ in lakhs)

Note 34 - Corporate Social Responsibility (CSR) expenses:

As per Section 135 of the Companies Act, 2013, the Company is required to comply with the CSR requirements which is formation of the CSR committee, identification of the CSR projects and funding such projects for at least two percent of the average net profits of the Company made during the three immediately preceding financial years. During the Financial year Company does not fall in the CSR Activities. As per Current Year Financial Statements CSR applicability will be arised from the Financial Year 2024-25.

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|--|---|---------------------------|
| Amount required to be spent during the year (including previous year unspent amount) | - | - |
| Amount spent during the year* | - | - |
| Shortfall at the end of the year | - | - |
| Total of previous year shortfall | - | - |
| Reason for shortfall | - | - |
| Nature of CSR activities | Health Care, Education, Women Empowerment, Farming, Energy conservation, Dairy Development & Cattle Care or Employment to rural youth | |
| Details of related party transaction | NIL | NIL |
| Any provision made with respect to a liability by entering into a contractual obligation | NIL | NIL |
| Movement of above provision, if any. | NIL | NIL |

*The amount has been spent for the purpose other than towards construction/acquisition of any asset.

| Sr. No. | Related parties where control exists description of Relationship | Name of Related Parties |
|---------------------------------|---|---|
| 1 | Promoter having control / significant influence over the Company | NA |
| 2 | Ultimate Holding Company | NA |
| 3 | Holding Company | NA |
| Key Management Personnel | | |
| 4 | Whole Time Director | Murari Mallawat |
| 5 | Whole Time Director | Rajpradeep Mahavirprasad Agrawal |
| 6 | Whole Time Director | Sani Kumar Goyal (Resigned w.e.f 30.05.2024) |
| 7 | Non-Executive Independent Director | Sushil Mahendrakumar Jhunjhunwala |
| 8 | Non-Executive Independent Director | Murari Devi Jain |
| 9 | Non-Executive Independent Director | Sopan Vishwanathrao Kohirsagar |
| 10 | Chief Financial Officer | Dharmendra Yadav (Resigned w.e.f 06 February 2024) |
| 11 | Chief Financial Officer | Gazala Mohammed Irfan Kolsawala (Appointed w.e.f February 13, 2024) |
| 12 | Company Secretary | Raj Jaikumar Panicker |
| 13 | Entities in which KMP / Relatives of KMP can exercise significant influence | Alwin Securities Ltd. |
| 14 | Entities in which KMP / Relatives of KMP can exercise significant influence | Keemtee Financial Services Limited |
| 15 | Entities in which KMP / Relatives of KMP can exercise significant influence | Pawan Kumar Mallawat |
| 16 | Entities in which KMP / Relatives of KMP can exercise significant influence | Sandeep Mallawat |

| Transactions with related parties (Previous year figures given within '()') | | | | | | | (₹ in lakhs) | |
|---|-----------------|------------|--------------------------|----------------------|---|-------|--------------|-----|
| Transactions during the year | Holding Company | Subsidiary | Key Management Personnel | Independent Director | Entities in which KMP / Relatives of KMP can exercise significant influence | Total | | |
| Issue of Equity Shares (including premium) | - | - | - | - | - | - | - | - |
| | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) |
| Inter Corporate Deposit | | | | | | | | |
| Loan taken from related Parties | - | - | - | - | - | - | - | - |
| | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) |
| Loan repaid to related parties | - | - | - | - | - | - | - | - |
| | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) |
| Inter Corporate Loans | | | | | | | | |
| Loan given to related Parties | - | - | - | - | 1,455,000 | - | 1,455,000 | - |
| | (-) | (-) | (-) | (-) | (250,630) | - | (250,630) | - |
| Loan repaid by related parties | - | - | - | - | - | - | - | - |
| | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) |
| Interest on Inter Corporate Deposit | | | | | | | | |
| Interest on Loan Given | - | - | - | - | 54,240 | - | 54,240 | - |
| | (-) | (-) | (-) | (-) | (9,200) | - | (9,200) | - |
| Remuneration of Directors & KMP | - | - | 13,450 | - | - | - | 13,450 | - |
| | (-) | (-) | (16,750) | (-) | (-) | (-) | (16,750) | - |
| Director Sitting fees (Non-Executive Directors 3 Nos) | - | - | - | 0,750 | - | - | 0,750 | - |
| | (-) | (-) | (-) | (-) | (0,880) | (-) | (0,880) | - |
| Common Cost (Net) | - | - | - | - | - | - | - | - |
| | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) |
| Referral fees | - | - | - | - | - | - | - | - |
| | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) |
| Purchase of Receivable Discounting Facility | - | - | - | - | - | - | - | - |
| | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) |
| Closing Balances | | | | | | | | |
| Short term borrowing | - | - | - | - | - | - | - | - |
| | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) |
| Interest payable on Short term borrowing | - | - | - | - | - | - | - | - |
| | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) |
| Payables | - | - | - | - | - | - | - | - |
| | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) |
| Loans & Advances with interest | - | - | - | - | - | - | - | - |
| Entities in which KMP / Relatives of KMP can exercise significant influence | (-) | (-) | (-) | (-) | 1,125,900 | - | 1,125,900 | - |
| | (-) | (-) | (-) | (-) | (1,320) | - | (1,320) | - |

Disclosure where Loans or Advances in the nature of loans are granted to promoters, Directors, KMPs and the related parties

| Type of borrowers | Amount of loan or advance in the nature of loan outstanding | Percentage to the total loans and advances in the nature of loans |
|-------------------|---|---|
| Promoters | - | 0% |
| Directors | - | 0% |
| KMPs | - | 0% |
| Related Parties | 1,125,900 | 14% |

* Transaction with Key management personnel

| Sr. No. | Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---------|------------------------------|---------------------------|---------------------------|
| i. | Short-term employee benefits | 13,450 | 16,750 |
| ii. | Other Contributions to funds | - | - |
| iii. | Share-based payments | - | - |
| iv. | Sitting fees | 0,750 | 0,880 |

| Sr. No. | Related Parties | Name of Related Party | Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---------|---|---|-----------------------|---------------------------|---------------------------|
| 1 | Whole Time Director | Murari Mallawat | Director Remuneration | 0,500 | 0,500 |
| 2 | Whole Time Director | Rajpradeep Mahavirprasad Agrawal | Director Remuneration | 0,500 | 0,500 |
| 3 | Whole Time Director | Sani Kumar Goyal (Resigned w.e.f 30.05.2024) | Director Remuneration | - | 6,000 |
| 4 | Non-Executive Independent Director | Sushil Mahendrakumar Jhunjhunwala | Director Sitting Fees | 0,250 | 0,460 |
| 5 | Non-Executive Independent Director | Murari Devi Jain | Director Sitting Fees | 0,250 | 0,210 |
| 6 | Non-Executive Independent Director | Sopan Vishwanathrao Kohirsagar | Director Sitting Fees | 0,250 | 0,210 |
| 7 | Chief Financial Officer | Dharmendra Yadav (Resigned w.e.f 06 February 2024) | Remuneration | 6,100 | 5,000 |
| 8 | Chief Financial Officer | Gazala Mohammed Irfan Kolsawala (W.E.F February 13, 2024) | Remuneration | 0,900 | - |
| 9 | Company Secretary | Raj Jaikumar Panicker | Remuneration | 5,450 | 2,000 |
| 10 | Company Secretary | Minal Agarwal | Remuneration | - | 2,750 |
| 11 | Entities in which KMP / Relatives of KMP can exercise significant influence | Alwin Securities Ltd. | Loan Given | 1,125,000 | 175,000 |
| 12 | Entities in which KMP / Relatives of KMP can exercise significant influence | Keemtee Financial Services Limited | Loan Given | - | 50,000 |
| 13 | Entities in which KMP / Relatives of KMP can exercise significant influence | Pawan Kumar Mallawat | Loan Given | 325,000 | - |
| 14 | Entities in which KMP / Relatives of KMP can exercise significant influence | Sandeep Mallawat | Loan Given | 5,000 | - |
| 15 | Entities in which KMP / Relatives of KMP can exercise significant influence | Nike Realtors Pvt. Ltd. | Loan Given | - | 25,630 |
| 16 | Entities in which KMP / Relatives of KMP can exercise significant influence | Pawan Kumar Mallawat | Rent Paid | 12,000 | 7,200 |
| 17 | Entities in which KMP / Relatives of KMP can exercise significant influence | Pawan Kumar Mallawat | Interest Received | 20,850 | - |
| 18 | Entities in which KMP / Relatives of KMP can exercise significant influence | Sandeep Mallawat | Interest Received | 0,060 | - |
| 19 | Entities in which KMP / Relatives of KMP can exercise significant influence | Alwin Securities Ltd. | Interest Received | 33,330 | 3,720 |
| 20 | Entities in which KMP / Relatives of KMP can exercise significant influence | Keemtee Financial Services Limited | Interest Received | - | 0,300 |
| 21 | Entities in which KMP / Relatives of KMP can exercise significant influence | Nike Realtors Pvt. Ltd. | Interest Received | - | 5,180 |

ARNOLD HOLDINGS LIMITED

CIN : L65993MH1981PLC282783

Notes forming part of the financial statements as at March 31, 2024 (Continued)

(₹ in lakhs)

Note 36 - Fair Value Measurement

Valuation Principle

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques.

Financial Instrument by Category

| | As at March 31, 2024 | | | As at March 31, 2023 | | |
|---|----------------------|-------|-------------------|----------------------|-------|-------------------|
| | FVTPL | FVOCI | Amortised Cost | FVTPL | FVOCI | Amortised Cost |
| Financial Asset | | | | | | |
| Cash And Cash Equivalents | - | - | 894.048 | - | - | 1,828.921 |
| Bank balance other than cash and cash equivalents above | - | - | - | - | - | - |
| Investments | - | - | 2,264.977 | - | - | 980.260 |
| Trade Receivables | - | - | 41.523 | - | - | 18.541 |
| Loans | - | - | 7,993.660 | - | - | 8,304.450 |
| Other financial assets | - | - | 26.520 | - | - | 26.082 |
| Total Financial Assets | - | - | 11,220.729 | - | - | 11,158.254 |
| Financial Liability | | | | | | |
| Trade Payables | - | - | 2,097.727 | - | - | 463.187 |
| Other Payables | - | - | - | - | - | - |
| Borrowings | - | - | 6,010.381 | - | - | 7,286.631 |
| Other financial liabilities | - | - | (220.882) | - | - | (401.862) |
| Total Financial Liabilities | - | - | 7,887.226 | - | - | 7,347.956 |

Fair value Hierarchy

This section explains the judgments and estimates made in determining the fair value of the financial instrument that are (a) recognized and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into three levels prescribed under the accounting standard. An explanation of each level follows underneath table:

As at March 31, 2024

| | Carrying amount | Fair value measurements using | | | Total |
|---|-------------------|-------------------------------|---------|---------|-------------------|
| | | Level 1 | Level 2 | Level 3 | |
| Financial assets | | | | | |
| Loans and advances | 7,993.660 | 7,993.660 | - | - | 7,993.660 |
| Other Receivables | 41.523 | 41.523 | - | - | 41.523 |
| Cash And Cash Equivalents | 894.048 | 894.048 | - | - | 894.048 |
| Bank balance other than cash and cash equivalents above | - | - | - | - | - |
| Investments | 2,264.977 | 2,264.977 | - | - | 2,264.977 |
| Other financial assets | 26.520 | 26.520 | - | - | 26.520 |
| Total Financial Asset | 11,220.729 | 11,220.729 | - | - | 11,220.729 |
| Financial Liability | | | | | |
| Borrowings* | 6,010.381 | 6,010.381 | - | - | 6,010.381 |
| Other financial liabilities | (220.882) | (220.882) | - | - | (220.882) |
| Trade Payables | 2,097.727 | 2,097.727 | - | - | 2,097.727 |
| Other Payables | - | - | - | - | - |
| Total Financial Liability | 7,887.226 | 7,887.226 | - | - | 7,887.226 |

ARNOLD HOLDINGS LIMITED

CIN : L65993MH1981PLC282783

Notes forming part of the financial statements as at March 31, 2024 (Continued)

(₹ in lakhs)

Note 36 - Fair Value Measurement (continued)

Level 1 : Level 1 hierarchy includes financial instruments measured using unadjusted quoted prices in active markets that the Company has the ability to access for the identical assets or liabilities. A financial instrument is classified as a Level 1 measurement if it is listed on an exchange. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges are valued using the closing price as at the reporting period. The mutual funds are valued at the closing NAV.

Level 2 : The fair value of financial instruments that are not traded in active markets is determined using valuation techniques which maximize the use of observable market data either directly or indirectly, such as quoted prices for similar assets and liabilities in active markets, for substantially the full term of the financial instrument but do not qualify as Level 1 inputs. If all significant inputs required to fair value an instrument are observable the instrument is included in level 2.

Level 3 : If one or more of the significant inputs is not based in observable market data, the instruments is included in level 3. That is, Level 3 inputs incorporate market participants' assumptions about risk and the risk premium required by market participants in order to bear that risk. The Company develops Level 3 inputs based on the best information available in the circumstances.

Financial instruments valued at carrying value

The respective carrying values of certain on-balance sheet financial instruments approximated their fair value. These financial instruments include cash in hand, balances with Banks, financial institutions and money at call and short notice, accrued interest receivable, acceptances, deposits payable on demand, accrued interest payable, and certain other assets and liabilities that are considered financial instruments. Carrying values were assumed to approximate fair values for these financial instruments as they are short-term in nature and their recorded amounts approximate fair values or are receivable or payable on demand.

Financial instruments recorded at fair value

There are no financial instruments held at FVTPL or FVOCI.

Fair value of financial instruments carried at amortised cost

Loans and advances

The fair values of loans that do not reprice or mature frequently are estimated using discounted cash flow models. The discount rates are based on the movement in yield curve from the loan origination till reporting date. For the purposes of level disclosures loans and advances are categorized under Level 3. The Level 3 loans would decrease (increase) in value based upon an increase (decrease) in discount rate. Since substantially all individual lines of credit and other variable rate loans reprice frequently, with interest rates reflecting current market pricing, the carrying values of these loans approximate their fair values.

ARNOLD HOLDINGS LIMITED

CIN : L65993MH1981PLC282783

Notes forming part of the financial statements as at March 31, 2024 (Continued)

(₹ in lakhs)

Note 37 - Capital

The Company maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements of the local banking supervisor, RBI. The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by RBI.

The Company has complied in full with all its externally imposed capital requirements over the reported period. Equity share capital and other equity are considered for the purpose of Company's capital management.

C.1 Capital management

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

ARNOLD HOLDINGS LIMITED

CIN : L65993MH1981PLC282783

Notes forming part of the financial statements as at March 31, 2024 (Continued)

(₹ in lakhs)

Note 38 - Contingent Liabilities

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| Claims against the Company not acknowledged as debts (to the extent not provided for) | Nil | Nil |
| Demand raised by authorities against which company has filed appeals - for FY | Nil | Nil |

Note 39 - Capital commitments

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| Commitments related to contracts remaining to be executed backed by letter of credit (net of advances) | Nil | Nil |
| Commitments related to contracts remaining to be executed not backed by letter of credit (net of advances) | Nil | Nil |

ARNOLD HOLDINGS LIMITED

CIN : L65993MH1981PLC282783

Notes forming part of the financial statements as at March 31, 2024 (Continued)

(₹ in lakhs)

Note 40 - Financial risk management

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

A. Credit risk

Credit risk is the risk of suffering financial loss, should any of the Company's customers, clients or market counterparties fail to fulfil their contractual obligations to the Company. Credit risk arises mainly from cash and cash equivalents, deposits with banks, trade and other receivable, loans measured at amortised cost.

The Company has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties. The credit quality review process aims to allow the Company to assess the potential loss as a result of the risks to which it is exposed and take corrective actions.

Expected credit loss methodology:

Ind As 109 outlines a "three-stage" model for impairment based on changes in credit quality since initial recognition as summarised below:

Stage 1 - A financial instrument that is not credit impaired on initial recognition is classified in 'Stage 1' and has its credit risk continuously monitored by the Company. The Company has established credit quality review process which considers credit rating of the counterparties for assessing the credit worthiness in addition to the days past due behaviour.

Stage 2 - Financial instruments with significant increase in credit risk, but not yet deemed to be credit impaired are moved to Stage 2.

Stage 3 - Credit impaired financial instruments are moved to stage 3.

The Company performs internal risk assessment on an individual basis and not on a portfolio basis due to the limited number of counterparties involved. The assessment of credit risk of loans (including commitments) entails estimation as to the likelihood of loss occurring due to default of counterparties. The estimation of credit exposure for risk management purposes is complex and considers expected cash flows and the passage of time.

ARNOLD HOLDINGS LIMITED

CIN : L65993MH1981PLC282783

Notes forming part of the financial statements as at March 31, 2024 (Continued)

(₹ in lakhs)

Note 40 - Financial risk management (continued)

Criteria for Significant Increase in Credit Risk:

- Quantitative criteria:

The borrower is more than 180 days past due on its contractual payments to be considered in default.

- Qualitative criteria:

The creditworthiness of the obligor deteriorates significantly since inception. The Company assess deterioration in credit risk based on the migration of obligor rating.

Definition of Default and credit impaired asset

The Company defines a financial asset as credit impaired or default based on the below qualitative and quantitative criteria:

- Quantitative criteria:

Policy for write-off of financial assets

All financial assets which in the opinion of management are not recoverable are written off, which may be subject to enforcement activity. The Company still seeks to recover amounts it is legally owed in full, but which have been written off due to no reasonable expectation of full recovery.

Provision for expected credit losses

The Company provides for expected credit loss based on following:

| Staging | Description of category | Basis for recognition of expected credit loss provision |
|---------|---|---|
| Stage 1 | Financial assets where there is low risk of default and where the obligor has sufficient capacity to meet the obligations and where there has been low frequency of defaults in the past and assets where the payments are less than 30 day past due. | 12-month expected credit losses |
| Stage 2 | Financial assets where the payments are more than 30 days past due or ratings are downgraded significantly since inception. | Life-time expected credit losses |
| Stage 3 | The Company categorises a financial asset as stage 3 when the obligor fails to make contractual payments within 90 days from the day it is due or the customer is rated "D". | Life-time expected credit losses is recognised on the exposure in default (Higher than that in case of stage 2) |

ARNOLD HOLDINGS LIMITED

CIN : L65993MH1981PLC282783

Notes forming part of the financial statements as at March 31, 2024 (Continued)

(₹ in lakhs)

Note 40 - Financial risk management (continued)

Cash and cash equivalents

Cash and cash equivalents include balance maintained in Bank by Company in current accounts.

Collateral held

The Company's financial assets are generally secured by collateral in the form of security deposits and other forms of collateral security including bank guarantees, lien on liquid investment. In addition to the collateral as mentioned, the Company retains the right of lien on the assets leased out under lease.

Collateral securing each individual financial asset may not be adequate in relation to the value of the financial asset. All obligors must meet the Company's internal credit assessment procedures, regardless of whether the financial asset is secured.

The Company has formulated an internal policy on periodical valuation of leased assets. As per the policy, leased assets are valued annually.

Measurement of Expected Credit Losses

The Company has applied a three-stage approach to measure expected credit losses (ECL) on financial assets accounted for at amortised cost and FVOCI. Assets migrate through following three stages based on the changes in credit quality since initial recognition:

(a) Stage 1: 12- months ECL: For exposures where there is no significant increase in credit risk since initial recognition and that are not credit-impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12-months is recognized.

(b) Stage 2: Lifetime ECL, not credit-impaired: For credit exposures where there has been a significant increase in credit risk since initial recognition but are not credit-impaired, a lifetime ECL is recognized.

(c) Stage 3: Lifetime ECL, credit-impaired: Financial assets are assessed as credit impaired upon occurrence of one or more events that have a detrimental impact on the estimated future cash flows of that asset.

At each reporting date, the Company assesses whether there has been a significant increase in credit risk of its financial assets since initial recognition by comparing the risk of default occurring over the expected life of the asset. In determining whether credit risk has increased significantly since initial recognition, the Company uses information that is relevant and available without undue cost or effort. This includes the Company's internal credit rating grading system, external risk ratings and forward-looking information to assess deterioration in credit quality of a financial asset.

Probability of Default (PD)

The Company uses ratings issued by external credit rating agencies to determine the credit quality of its obligors. The Through the Cycle ("TTC") PD has been obtained from the master PD scale published by the external rating agencies. Ind AS 109 requires Point in Time ("PIT") PDs. The PIT PDs are obtained by adjusting the TTC PD with forward-looking macro-economic variable using Single Factor Vasicek approach.

Loss Given Default (LGD)

For the computation of LGD, the regulatory LGD rates prescribed by RBI or basis the internal management assessment have been used.

Exposure at default (EAD)

Exposure at default is the total value an entity is exposed to when a obligor defaults on its financial asset. It is the predicted amount of exposure that an entity may be exposed to when a borrower defaults. The outstanding principal, outstanding arrears reported as of the reporting date adjusted for security deposit held in cash, cash collateral and the WDV of the leased asset (only in case of operating leases) for computation of ECL is used as the EAD for all the portfolios.

Macroeconomic Scenarios

In addition, the Company uses reasonable and supportable information on future economic conditions including macroeconomic factors: e.g. GDP growth rate, Inflation rate, CPI etc. Since incorporating these forward looking information increases the judgment as to how the changes in these macroeconomic factor will affect ECL, the methodology and assumptions are reviewed regularly.

Modification/Debt restructuring

The Company sometimes renegotiates or otherwise modifies the contractual cash flows of advances to customers. When this happens, the Company assesses whether or not the new terms are substantially different to the original terms. If the terms are substantially different, the Company derecognises the original financial asset and recognises a 'new' asset at fair value and recalculates a new effective interest rate for the asset. The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation purposes, including for the purpose of determining whether a significant increase in credit risk has occurred.

If the terms are not substantially different, the renegotiation or modification does not result in de-recognition, and the Company recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognises a modification gain or loss in the statement of profit or loss. The new gross carrying amount is recalculated by discounting the modified cash flows at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

There are no financial assets restructured or modified during the current year.

ARNOLD HOLDINGS LIMITED

CIN : L65993MH1981PLC282783

Notes forming part of the financial statements as at March 31, 2024 (Continued)

(₹ in lakhs)

Note 40 - Financial risk management (continued)

A. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Due to the dynamic nature of the underlying businesses, Company's treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Maturity Pattern

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

As at March 31, 2024

| Particulars | Carrying amount | Gross nominal inflow/ (outflow) | Contractual cash flows | | | | | |
|---|------------------|---------------------------------|------------------------|---------------------------|---------------------------|--------------------------|-------------------|--------------|
| | | | Upto 3 months | Over 3 months to 6 months | Over 6 months to one year | Over one year to 3 years | Over 3 to 5 years | Over 5 Years |
| Non-derivative financial liabilities | | | | | | | | |
| Trade payables | 2,097.727 | 2,097.727 | 2,097.727 | - | - | - | - | - |
| Other payables | - | - | - | - | - | - | - | - |
| Borrowings (other than debt securities)* | 6,010.381 | 6,010.880 | - | - | 6,010.880 | - | - | - |
| Deposits | - | - | - | - | - | - | - | - |
| Other financial liability | (220.882) | (220.882) | (220.882) | - | - | - | - | - |
| Total | 7,887.226 | 7,887.725 | 1,876.845 | - | 6,010.880 | - | - | - |

As at March 31, 2023

| Particulars | Carrying amount | Gross nominal inflow/ (outflow) | Contractual cash flows | | | | | |
|---|------------------|---------------------------------|------------------------|---------------------------|---------------------------|--------------------------|-------------------|--------------|
| | | | Upto 3 months | Over 3 months to 6 months | Over 6 months to one year | Over one year to 3 years | Over 3 to 5 years | Over 5 Years |
| Non-derivative financial liabilities | | | | | | | | |
| Trade payables | 463.187 | 463.190 | 463.190 | - | - | - | - | - |
| Other payables | - | - | - | - | - | - | - | - |
| Borrowings (other than debt securities)* | 7,286.631 | 7,286.630 | - | - | 7,286.630 | - | - | - |
| Deposits | - | - | - | - | - | - | - | - |
| Other financial liability | (401.862) | (401.862) | (401.862) | - | - | - | - | - |
| Total | 7,347.956 | 7,347.958 | 61.328 | - | 7,286.630 | - | - | - |

* Contractual cash flow is representing principal outflow.

ARNOLD HOLDINGS LIMITED

CIN : L65993MH1981PLC282783

Notes forming part of the financial statements as at March 31, 2024 (Continued)

(₹ in lakhs)

The amounts in the table above have been compiled as follows:

| Type of financial instrument | Basis on which amounts are compiled |
|--------------------------------------|--|
| Non-derivative financial liabilities | Undiscounted cash flows, which include estimated interest payments |

As part of the management of liquidity risk arising from financial liabilities, the Company holds liquid assets comprising cash and cash equivalents, deposits with banks, investments in mutual funds and debt securities, which can be readily sold to meet liquidity requirements. In addition, the Company maintains agreed committed credit lines with banks.

The Company has access to the following undrawn borrowing facilities at the end of the reporting period:

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|------------------------|-------------------------|-------------------------|
| Committed credit lines | Nil | Nil |
| Total | - | - |

ARNOLD HOLDINGS LIMITED

CIN : L65993MH1981PLC282783

Notes forming part of the financial statements as at March 31, 2024 (Continued)

(₹ in lakhs)

Note 40 - Financial risk management (continued)

B. Price Risk

(a) Exposure details

The Company's exposure to equity securities price risk arises from investments held by the Company and classified in the balance sheet as at fair value through profit or loss. As at reporting date, the company does not have any instrument which is exposed to price risk.

To manage its price risk arising from investments in equity securities and mutual funds, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.

C. Interest rate risk

The Company provides loans to customers on fixed rate and hence there is no interest rate risk on loan exposure. However, certain borrowings are at floating rate and hence exposed to Interest rate risk.

Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments as reported by the management is as follows.

| | Nominal amount | |
|---|------------------------------|------------------------------|
| | Year ended March 31, 2024 | Year ended March 31, 2023 |
| Non Variable-rate instruments | | |
| Borrowings (Other than debt securities) | 6,010.380 | 7,286.630 |
| Total | <u>6,010.380</u> | <u>7,286.630</u> |

ARNOLD HOLDINGS LIMITED

CIN : L65993MH1981PLC282783

Notes forming part of the financial statements for the year ended March 31, 2024 (Continued)

(₹ in lakhs)

Note 41 - Disclosures in terms of RBI Master Direction for Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 and Master Direction- Core Investment Companies (Reserve Bank) Directions , 2016 have been given under:

I. Disclosures relating to Securitisation

(i) Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction- This is not applicable to the company

| Sr no | Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|-------|---|------------------------------|------------------------------|
| (i) | No. of accounts | - | - |
| (ii) | Aggregate value (net of provisions) of accounts sold to Securitisation / Reconstruction Companies | - | - |
| (iii) | Aggregate consideration | - | - |
| (iv) | Additional consideration realized in respect of accounts transferred in earlier years | - | - |
| (v) | Aggregate gain / (loss) over net book value | - | - |

(ii) Details of Assignment transactions undertaken by applicable NBFCs

| Sr no | Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|-------|---|------------------------------|------------------------------|
| (i) | No. of accounts | - | - |
| (ii) | Aggregate value (net of provisions) of accounts sold | - | - |
| (iii) | Aggregate consideration | - | - |
| (iv) | Additional consideration realized in respect of accounts transferred in earlier years | - | - |
| (v) | Aggregate gain / (loss) over net book value | - | - |

II. Details of non-performing financial assets purchased / sold

(i). Details of non-performing financial assets purchased :

| Sr no | Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|-------|---|------------------------------|------------------------------|
| (i) | (a) No. of accounts purchased during the year | - | - |
| | (b) Aggregate outstanding | - | - |
| (ii) | (a) Of these, number of accounts restructured during the year | - | - |
| | (b) Aggregate outstanding | - | - |

(ii). Details of Non-performing Financial Assets sold :

| Sr no | Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|-------|----------------------------------|------------------------------|------------------------------|
| (i) | No. of accounts sold | - | - |
| (ii) | Aggregate outstanding | - | - |
| (iii) | Aggregate consideration received | - | - |

III. Asset Liability Management Maturity pattern of certain items of Assets and Liabilities

As at March 31, 2024

| | Upto 1 month | Over 1 month upto 2 Month | Over 2 months upto 3 months | Over 3 month & up to 6 month | Over 6 Month & up to 1 year | Over 1 year & up to 3 years | Over 3 years & up to 5 years | Over 5 years | Total |
|------------------------------|-----------------|------------------------------|--------------------------------|---------------------------------|--------------------------------|--------------------------------|------------------------------------|--------------|-----------|
| Deposits | - | - | - | - | - | - | - | - | - |
| Advances# | - | - | - | - | - | 7,993.660 | - | - | 7,993.660 |
| Investments | - | - | - | - | 2,264.980 | - | - | - | 2,264.980 |
| Borrowings* | - | - | - | - | 102.410 | 5,907.970 | - | - | 6,010.380 |
| Foreign Currency assets | - | - | - | - | - | - | - | - | - |
| Foreign Currency liabilities | - | - | - | - | - | - | - | - | - |

* Borrowings include Debt securities & other than debt securities as per Note 14

Includes Loan and advances as per Note 6

As at March 31, 2023

| | Upto 1 month | Over 1 month upto 2 Month | Over 2 months upto 3 months | Over 3 month & up to 6 month | Over 6 Month & up to 1 year | Over 1 year & up to 3 years | Over 3 years & up to 5 years | Over 5 years | Total |
|------------------------------|-----------------|------------------------------|--------------------------------|---------------------------------|--------------------------------|--------------------------------|------------------------------------|--------------|-----------|
| Deposits | - | - | - | - | - | - | - | - | - |
| Advances# | - | - | - | - | - | 8,304.450 | - | - | 8,304.450 |
| Investments | - | - | - | - | 980.260 | - | - | - | 980.260 |
| Borrowings* | - | - | - | - | 4,136.630 | 3,150.000 | - | - | 7,286.630 |
| Foreign Currency assets | - | - | - | - | - | - | - | - | - |
| Foreign Currency liabilities | - | - | - | - | - | - | - | - | - |

* Borrowings include Debt securities & other than debt securities as per Note 14

Includes Loan and advances as per Note 6

(₹ in lakhs)

42. Disclosure requirements as per RBI circular dated March 13, 2020 having reference number RBI/2019-20/170 , DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 as per para 2 of Prudential Floor of ECL

As at March 31, 2024

| Asset Classification as per RBI Norms | Asset classification as per Ind AS 109 | Gross Carrying Amount as per Ind AS | Loss Allowances (Provisions) as required under Ind AS 109 | Net Carrying Amount | Provisions required as per IRACP norms | Provisions required as per IRACP norms |
|--|--|-------------------------------------|---|---------------------|--|--|
| (1) | (2) | (3) | (4) | (5)=(3)-(4) | (6) | (7)=(4)-(6) |
| Performing Assets | | | | | | |
| Standard | Stage 1 | 7,956.549 | 147.992 | 7,808.557 | 147.992 | - |
| | Stage 2* | 37.111 | 18.556 | 18.556 | 18.556 | - |
| | Stage 3* | - | - | - | - | - |
| Non-Performing Assets (NPA) | | | | | | |
| Substandard | Stage 1 | - | - | - | - | - |
| | Stage 2* | - | - | - | - | - |
| | Stage 3* | - | - | - | - | - |
| Doubtful - Upto 1 year | Stage 3 | - | - | - | - | - |
| 1 to 3 years | Stage 3 | - | - | - | - | - |
| More than 3 years | Stage 3 | - | - | - | - | - |
| Subtotal for doubtful | | - | - | - | - | - |
| Loss | Stage 3 | - | - | - | - | - |
| Subtotal for NPA | | - | - | - | - | - |
| Other items such as guarantees, loan commitments, etc which are in the scope of IND AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms | Stage 1 | - | - | - | - | - |
| | Stage 2 | - | - | - | - | - |
| | Stage 3 | - | - | - | - | - |
| Subtotal | | - | - | - | - | - |
| Total | Stage 1 | 7,956.549 | 147.992 | 7,808.557 | 147.992 | - |
| | Stage 2 | 37.111 | 18.556 | 18.556 | 18.556 | - |
| | Stage 3 | - | - | - | - | - |
| | Total | 7,993.660 | 166.548 | 7,827.113 | 166.548 | - |

* Standard and Substandard Assets falling under Stage 1 and 2 is on account of movement in Credit Rating and Days Past Due as mentioned in ECL policy.

As at March 31, 2023

| Asset Classification as per RBI Norms | Asset classification as per Ind AS 109 | Gross Carrying Amount as per Ind AS | Loss Allowances (Provisions) as required under Ind AS 109 | Net Carrying Amount | Provisions required as per IRACP norms | Provisions required as per IRACP norms |
|--|--|-------------------------------------|---|---------------------|--|--|
| (1) | (2) | (3) | (4) | (5)=(3)-(4) | (6) | (7)=(4)-(6) |
| Performing Assets | | | | | | |
| Standard | Stage 1 | 8,295.517 | 194.860 | 8,100.657 | 194.860 | - |
| | Stage 2* | 8.933 | 7.593 | 1.340 | 7.593 | - |
| | Stage 3* | - | - | - | - | - |
| Non-Performing Assets (NPA) | | | | | | |
| Substandard | Stage 3 | - | - | - | - | - |
| Doubtful - Upto 1 year | Stage 3 | - | - | - | - | - |
| 1 to 3 years | Stage 3 | - | - | - | - | - |
| More than 3 years | Stage 3 | - | - | - | - | - |
| Subtotal for doubtful | | - | - | - | - | - |
| Loss | Stage 3 | - | - | - | - | - |
| Subtotal for NPA | | - | - | - | - | - |
| Other items such as guarantees, loan commitments, etc which are in the scope of IND AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms | Stage 1 | - | - | - | - | - |
| | Stage 2 | - | - | - | - | - |
| | Stage 3 | - | - | - | - | - |
| Subtotal | | - | - | - | - | - |
| Total | Stage 1 | 8,295.517 | 194.860 | 8,100.657 | 194.860 | - |
| | Stage 2 | 8.933 | 7.593 | 1.340 | 7.593 | - |
| | Stage 3 | - | - | - | - | - |
| | Total | 8,304.450 | 202.452 | 8,101.997 | 202.452 | - |

* Standard and Substandard Assets falling under Stage 1 and 2 is on account of movement in Credit Rating and Days Past Due as mentioned in ECL policy.

43. Schedule to the Balance Sheet (as required in terms of Paragraph 18 of Non-Banking Financial Company - Non-Systemically Important Non-Deposit Taking Company (Reserve Bank) Directions, 2016

| | As at March 31, 2024 | | As at March 31, 2023 | |
|--|--------------------------|----------------------|--------------------------|----------------------|
| | Amount Outstanding (Rs.) | Amount Overdue (Rs.) | Amount Outstanding (Rs.) | Amount Overdue (Rs.) |
| LIABILITIES SIDE: | | | | |
| 1 Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid: | | | | |
| a) Debentures | | | | |
| Secured | - | - | - | - |
| Unsecured | - | - | - | - |
| <i>(other than falling within the meaning of public deposits*)</i> | | | | |
| b) Deferred Credits | - | - | - | - |
| c) Term Loans | 6,010.381 | - | 7,286.631 | - |
| d) Inter-corporate loans and borrowing | - | - | - | - |
| e) Commercial Paper | - | - | - | - |
| f) Public Deposits | - | - | - | - |
| g) Debt Securities | - | - | - | - |
| 2 Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) : | | | | |
| a) In the form of Unsecured debentures | - | - | - | - |
| b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security | - | - | - | - |
| c) Other public deposits | - | - | - | - |
| ASSET SIDE : | | | | |
| 3 Break-up of Loans and Advances including bills receivables [other than those included in (4) below] : | | | | |
| a) Secured | | | | |
| b) Unsecured | | 7,993.660 | | 8,304.450 |
| 4 Break up of Leased Assets and stock on hire and other assets counting towards AFC activities | | | | |
| i) Lease assets including lease rentals under sundry debtors : | | | | |
| a) Financial lease | | - | | - |
| b) Operating lease | | - | | - |
| ii) Stock on hire including hire charges under sundry debtors : | | | | |
| a) Assets on hire | | - | | - |
| b) Repossessed Assets | | - | | - |
| iii) Other loans counting towards AFC activities | | | | |
| a) Loans where assets have been repossessed | | - | | - |
| b) Loans other than (a) above | | - | | - |
| 5 Break-up of Investments : | | | | |
| Current investments : | | | | |
| 1) Quoted : | | | | |
| i) Shares : | | | | |
| (a) Equity | - | - | - | - |
| (b) Preference | - | - | - | - |
| ii) Debentures and Bonds | - | - | - | - |
| iii) Units of mutual funds | - | - | - | - |
| iv) Government Securities | - | - | - | - |
| v) Others (please specify) | - | - | - | - |
| 2) Unquoted : | | | | |
| i) Shares : | | | | |
| (a) Equity | - | - | - | - |
| (b) Preference | - | - | - | - |
| ii) Debentures and Bonds | - | - | - | - |
| iii) Units of mutual funds | - | - | - | - |
| iv) Government Securities | - | - | - | - |
| v) Others (please specify) | - | - | - | - |

ARNOLD HOLDINGS LIMITED

CIN : L65993MH1981PLC282783

Notes forming part of the financial statements as at March 31, 2024 (Continued)

(₹ in lakhs)

| <u>Long Term Investments :</u> | As at March 31, 2024 | | As at March 31, 2023 | |
|--------------------------------|--------------------------|----------|--------------------------|----------|
| | Amount Outstanding (Rs.) | | Amount Outstanding (Rs.) | |
| 1) Quoted : | | | | |
| i) Shares : | | | | |
| (a) Equity | - | - | - | - |
| (b) Preference | - | - | - | - |
| ii) Debentures and Bonds | - | - | - | - |
| iii) Units of mutual funds | - | - | - | - |
| iv) Government Securities | - | - | - | - |
| v) Others (please specify) | - | - | - | - |
| 2) Unquoted : | | | | |
| i) Shares : | | | | |
| (a) Equity | - | - | - | - |
| (b) Preference | - | - | - | - |
| ii) Debentures and Bonds | - | - | - | - |
| iii) Units of mutual funds | - | - | - | - |
| iv) Government Securities | - | - | - | - |
| v) Investment in Property | - | - | - | - |
| Total Investments | - | - | - | - |

6 Borrower group-wise classification of assets financed as in (3) and (4) above :

| Category | As at March 31, 2024 | | | As at March 31, 2023 | | |
|---------------------------------|--------------------------|------------------|------------------|--------------------------|------------------|------------------|
| | Amount Net of Provisions | | | Amount Net of Provisions | | |
| | Secured (Rs.) | Unsecured (Rs.) | Total (Rs.) | Secured (Rs.) | Unsecured (Rs.) | Total (Rs.) |
| 1). Related Parties | | | | | | |
| a). Subsidiaries | - | - | - | - | - | - |
| b). Companies in the same group | - | - | - | - | - | - |
| c). Other related parties | - | - | - | - | - | - |
| 2). Other than related parties | - | 7,993.660 | 7,993.660 | - | 8,304.450 | 8,304.450 |
| Total | - | 7,993.660 | 7,993.660 | - | 8,304.450 | 8,304.450 |

7 Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

| Category | As at March 31, 2024 | | As at March 31, 2023 | |
|--------------------------------|--|--------------------------------|--|--------------------------------|
| | Market Value / Break up or fair value or NAV | Book Value (Net of Provisions) | Market Value / Break up or fair value or NAV | Book Value (Net of Provisions) |
| 1) Related Parties | | | | |
| a) Subsidiaries | - | - | - | - |
| b) Companies in the same group | - | - | - | - |
| c) Other related parties | - | - | - | - |
| 2) Other than related parties | - | - | - | - |
| Total | - | - | - | - |

8 Other information

| Particulars | As at March 31, 2024 | | As at March 31, 2023 | |
|--|----------------------|---|----------------------|---|
| | Amount (Rs.) | | Amount (Rs.) | |
| i) Gross Non-Performing Assets | | | | |
| a) Related parties | - | - | - | - |
| b) Other than related parties | - | - | - | - |
| ii) Net Non-Performing Assets | | | | |
| a) Related parties | - | - | - | - |
| b) Other than related parties | - | - | - | - |
| iii) Assets acquired in satisfaction of debt | | | | |

ARNOLD HOLDINGS LIMITED

CIN : L65993MH1981PLC282783

Notes forming part of the financial statements as at March 31, 2024 (Continued)

(₹ in lakhs)

Note 44 - Other Disclosures
A. Ratio analysis

| Particulars | Numerator | Denominator | March 31,2024 | March 31,2023 | Remarks* | % Variance |
|---|------------------------------------|------------------------------|---------------|---------------|--|------------|
| a) Current ratio (Times) | Current Assets | Current Liabilities | 2.536 | 1.073 | Due to Increase in current assets as well as decrease in current liabilities has resulted in substantial increase in current ratio. | 136.43 |
| b) Debt-Equity ratio (Times) | Total Debt | Shareholder's Equity | 1.094 | 1.227 | Decrease in share capital through buy back of equity shares along with decrease in borrowings by repayment of debt has led to decrease in debt equity ratio. | (10.80) |
| c) Debt service coverage ratio (Times) | Earning available for Debt Service | Interest Expense | 3.843 | 1.924 | Increase in Profitability along with reduction in borrowings has led to improvement in Debt service coverage ratio | 99.74 |
| d) Return on equity ratio | Net Profit After Tax | Average Shareholder's Equity | 15.434% | 6.622% | The increase in net profit in current year has led to improvement in Return on Equity Ratio. | 133.06 |
| e) Trade receivables turnover ratio (Times) | Net Credit Sales | Average Trade Receivables | 693.269 | 392.144 | Increase in revenue has led to lower receivables turnover. | 76.79 |
| f) Net capital turnover ratio (Times) | Total Revenue | Total Equity | 3.645 | 2.863 | Increase in revenue has led to increase in capital turnover ratio. | 27.34 |
| g) Net profit ratio | Net Profit After Tax | Net Sales | 4.234% | 2.313% | The increase in net profit and net sales has resulted in increase in net profit ratio. | 83.02 |
| h) Return on capital employed | Profit before Interest and Taxes | Capital Employed | 15.623% | 8.583% | The increase in profits is more than increase in shareholder's equity during the year. | 82.04 |

*YoY deviation of more than 25% is explained with remarks.

Notes :
Formulas for the ratios given above

A) Current ratio represents total Financial assets / total Financial liabilities receivable / payable within 12 months (Refer note no.32)

b) Debt-Equity ratio represents closing total debt / closing total net worth

c) Debt service coverage Ratio = (Profit before Tax + Interest Expense) / (Interest on Loans). This calculation does not include principal recoveries from underlying loans and advances

d) Return on equity ratio represents Profit After Tax / Average of opening and closing balances of networth

e) Inventory turnover ratio - Not applicable

f) Trade receivable turnover represents Revenue from operations / Average of opening and closing balances of Trade Receivables

g) Trade payables turnover ratio - Not applicable

h) Net capital turnover ratio represents total revenue / Average of opening and closing balances of net worth

i) Net profit ratio represent profit after tax / Total revenue

j) Return on capital employed represents EBIT (Earnings before interest and tax) / Average Capital employed (Net worth + Debt) without giving impact of timing of borrowing and capital infusion

k) Return on investment - Not applicable

ARNOLD HOLDINGS LIMITED

CIN : L65993MH1981PLC282783

Notes forming part of the financial statements as at March 31, 2024 (Continued)

(₹ in lakhs)

Note 44 - Other Disclosures - (Continued)**B. Other notes**

- (i) As of March 31, 2024 there were no foreign currency exposures hedged by a derivative instrument or otherwise (March 31, 2023 : NIL).
- (ii) The Company does not have any long-term contracts where there are material foreseeable losses as on March 31, 2024 (March 31, 2023 : NIL). The Company does not have any derivative contracts as on March 31, 2024 (March 31, 2023 : NIL).
- (iii) There are no pending litigations against the company which affects its financial position as on March 31, 2024 (March 31, 2023 : NIL).
- (iv) The Company is not declared wilful defaulter by any bank or financial Institutions or other lender.
- (v) The Company is not required to transfer any amount into the Investor Education & Protection Fund for the year ended March 31,2024 (March 31, 2023 : NIL).
- (vi) There are no charges or satisfaction yet to be registered with ROC beyond statutory period.
- (vii) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
- (viii) No Scheme of Arrangements has been approved by the Competent Authority in terms of Sections 230 to 237 of the Companies Act, 2013.
- (ix) No transactions has been recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- (x) The Company has not traded or invested in Crypto currency or Virtual currency during the financial year.
- (xi) There is no proceedings pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.
- (xii) There are no transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956.
- (xiii) Quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.
- (xiv) The Company has complied with Companies Act 2013.
- (xv) There is not breach of covenants in case of any loan availed or debt securities.
- (xvi) The Company has not revalued Property, Plant and Equipment and Intangible assets during the year.
- The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall directly or indirectly
- (xvii) lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

- The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding
- (xviii) Party (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(xix) Stock Details

| | Units | Opening Stock | Inward | Outward | Closing Stock |
|---------------------|---------|---------------|-----------|-----------|---------------|
| Shares & Securities | Numbers | 38,87,945 | 36,07,481 | 39,28,209 | 35,67,217 |

- (xx) Provision for current tax is made in the accounts on the basis of estimated tax liability as per the applicable provisions of the Income Tax Act 1961.

ARNOLD HOLDINGS LIMITED

CIN : L65993MH1981PLC282783

Notes forming part of the financial statements as at March 31, 2024 (Continued)

C) Breach of covenant

Breach of covenant of loan availed or debt securities issued: NIL

D) Divergence in Asset Classification and Provisioning : NIL

Public disclosure on liquidity risk

(i) Funding Concentration based on significant counterparty (both deposits and borrowings)

| Sr No. | Number of Significant Counterparties | Amount (Rs. In Lakhs) | % of Total Deposit | % of Total Outside Liabilities |
|--------|--------------------------------------|-----------------------|--------------------|--------------------------------|
| 1 | | | NA | |

(ii) Top 20 large deposits (amount in Rs. crore and % of total deposits) -Not Applicable

(iii) Top 10 borrowings (amount in Rs. crore and % of total borrowings)

| Amount Outstanding(Rs. In Lakhs) | % of Total Borrowing |
|----------------------------------|----------------------|
| | |

(iv) Funding Concentration based on significant instrument/product

| Sr No. | Name of the instrument/product | Amount (Rs. Lakhs) | % of Total Liabilities |
|--------|----------------------------------|--------------------|------------------------|
| 1 | NCDs | - | 0.00% |
| 2 | Term Loan | 6,010.381 | 42.692% |
| 3 | WCDL/ CC / Short Term Facilities | - | 0.00% |
| 4 | Others (PTC) | - | 0.00% |
| 5 | Others (ICD) | - | 0.00% |
| | Total | - | 0.00% |

(v) Stock Ratios:

(a) Commercial papers as a % of total public funds, total liabilities and total assets : NIL

(b) Non-convertible debentures (original maturity of less than one year) as a % of total public funds, total liabilities and total assets : NIL

(c) Other short-term liabilities, if any as a % of total public funds, total liabilities and total assets

| Particulars | Ratio |
|--|-------|
| Other Short Term Liability as a % of Public Funds | 0.00% |
| Other Short Term Liability as a % of Total Outside Liabilities | 0.00% |
| Other Short Term Liability as a % of Total Assets | 0.00% |

(vi) Institutional set-up for liquidity risk management

The Board of Directors of Capsave Finance Private Limited (the Company) has an overall responsibility and oversight for the management of all the risks, including liquidity risk, to which the Company is exposed to in the course of conducting its business.

The Board has constituted Asset Liability Management Committee (ALCO) for this purpose to frame required policies and guide the ALM and Liquidity Risk management process. Further, the ALCO has constituted the ALM Support Group (ASG) and delegated the authority for execution of the stated policies and direction of the ALCO and Board.

Notes:

- Significant Counterparty: A Significant counterparty as per RBI circular DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated 4 Nov 2019 is defined as a single counterparty or group of connected counterparties accounting in aggregate for more than 1% of the Company's total liabilities.
- Funding/Borrowing: Refers to on outstanding principal balances of External Debt from Banks and Non-Bank lenders, and Inter-Corporate Deposit (ICD) from parent company.
- Total Outside Liabilities: Refers to the aggregate of financial and non - financial liabilities as per balance sheet.
- Total Public Funds: Includes funds raised either directly or indirectly through public deposits, inter-corporate deposits, bank finance and all funds received from outside sources such as funds raised by issue of Commercial Papers, debentures etc. but excludes funds raised by issue of instruments compulsorily convertible into equity shares within a period not exceeding 5 years from the date of issue.
- Short Term Liability: Borrowings with original maturity of less than 12 months, except for ICDs.

ARNOLD HOLDINGS LIMITED

CIN : L65993MH1981PLC282783

Notes forming part of the financial statements as at March 31, 2024 (Continued)

E) Figures pertaining to the previous year/s/period have been regrouped/rearranged, reclassified and restated wherever considered necessary, to make them comparable with those of current year/period.

As per our report of even date.

For Amit Ray & Company
Chartered Accountants
Firm Registration No.000483C

Sd/-

Nag Bhushan Rao
Partner
Membership No. 073144

Place : Mumbai
Date : 30.05.2024

For and on behalf of the Board of Directors

Sd/-

Murari Mallawat
Whole Time Director
DIN: 08809840

Sd/-
Raji Jaikumar Panicker
Company Secretary

Sd/-

Rajpradeep Mahavirprasad Agrawal
Whole Time Director
DIN: 09142752

Sd/-
Gazala Mohammed Irfan Kolsawala
CFO

**ELECTRONIC VOTING PARTICULAR
(For Paid-Up Equity Shares)**

| |
|--------------------------------|
| EVSN (EVOTING SEQUENCE NUMBER) |
| 240830067 |

E-Voting shall start on Friday, 27th day of September, 2024 (9.00 a.m.) and will be open till Sunday, 29th day of September, 2024 till the close of working hours (i.e.5.00 p.m.)

Note: Please read the instructions carefully before exercising your vote.